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Congress of the United States

JOINT COMMITTEE ON TAXATION
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DEC 18 2017

Chairman Michael Enzi
U.S. Senate
379A Russell Senate Office Building
Washington, D.C. 20510

Dear Chairman Enzi:

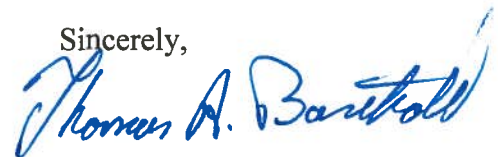
Two provisions of the conference agreement on H.R. 1, the "Tax Cuts and Jobs Act," for which the legislative text does not correspond to the Joint Committee on Taxation staff's understanding of the conferees' intent have been identified.

The legislative text errors relate to two provisions of H.R. 1. By reference to our revenue table entitled "Estimated Budget Effects of the Conference Agreement for H.R. 1, the 'Tax Cuts and Jobs Act'" (JCX-67-17, December 18, 2017), these provisions are "Modification of net operating loss deduction" (table item II.D.6) and "Applicable recovery period for real property" (item II.D.8).

You asked the Joint Committee staff to provide you with estimates of these two provisions based strictly on the erroneous legislative text rather than on the policy understood by my staff and reflected in our published estimates. The first panel of the enclosed table reproduces the Joint Committee staff's estimates of the two provisions from JCX-67-17. The second panel provides estimates of these two provisions based strictly on the legislative text; it assumes the conference agreement otherwise remains unchanged. The third panel presents the differences between the estimates provided in the first two panels.

I hope this material is helpful to you. Please contact me if I can be of further assistance.

Sincerely,



Thomas A. Barthold

Encl.

- Chairman Enzi -
ESTIMATED REVENUE EFFECTS OF CERTAIN PROVISIONS AFFECTED BY STATUTORY DRAFTING ERRORS
CONTAINED IN THE CONFERENCE AGREEMENT FOR H.R. 1, THE "TAX CUTS AND JOBS ACT"

Fiscal Years 2018 - 2027

[Billions of Dollars]

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
Certain Provisions from JCX-67-17:													
II. Business Tax Reform													
D. Cost Recovery, etc.													
6. Modification of net operating loss deduction.....	lai tyba 12/31/17	6.4	10.0	11.1	15.9	25.2	34.1	36.0	30.2	20.8	11.4	68.5	201.1
8. Applicable recovery period for real property.....	ppisa 12/31/17	-0.1	-0.1	-0.3	-0.4	-0.5	-0.7	-0.6	-0.7	-0.9	-0.6	-1.4	-4.9
Certain Provisions Affected by Statutory Drafting Errors:													
II. Business Tax Reform													
D. Cost Recovery, etc.													
6. Modification of net operating loss deduction.....	lai tyba & tyba 12/31/17	6.4	10.0	11.1	15.9	25.2	34.2	36.2	30.5	21.1	11.7	68.5	202.4
8. Applicable recovery period for real property.....	ppisa 12/31/17	-0.1	-0.1	-0.3	-0.4	-0.5	-0.8	-0.8	-0.9	-1.2	-0.9	-1.4	-5.9
Difference Between Certain Provisions in JCX-67-17 and Those Provisions Affected by Statutory Drafting Errors:													
II. Business Tax Reform													
D. Cost Recovery, etc.													
6. Modification of net operating loss deduction.....		[1]	[1]	[1]	[1]	[1]	0.1	0.2	0.3	0.3	0.3	[1]	1.3
8. Applicable recovery period for real property.....		[2]	[2]	[2]	[2]	[2]	-0.1	-0.2	-0.2	-0.3	-0.3	[2]	-1.0
Total Difference.....		[3]	[3]	[3]	[3]	[3]	[3]	[3]	0.1	[3]	[3]	[3]	0.3

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be December 22, 2017.

Legend for "Effective" column:

lai = losses arising in

ppisa = property placed in service after

tyba = taxable years beginning after
 tyca = taxable years ending after

[1] Gain of less than \$50 million.

[2] Loss of less than \$50 million.

[3] Gain or loss of less than \$50 million.