

<ul style="list-style-type: none"> ▪ Require accrual of income on forward sale of corporate stock 	296
Subtotal, Financial Institutions	33,216
<ul style="list-style-type: none"> ➤ International Activity of Worldwide American Businesses <ul style="list-style-type: none"> ▪ Defer deduction of interest expense related to deferred income ▪ Determine the foreign tax credit on a pooling basis ▪ Tax currently excess returns associated with transfers of intangibles offshore (modification to “transfer pricing” rules) ▪ Limit shifting of income through intangible property transfers (modification to “transfer pricing” rules) ▪ Disallow the deduction for excess non-taxed reinsurance premiums paid to affiliates ▪ Limit earnings stripping by expatriated entities ▪ Modify tax rules for dual capacity taxpayers 	37,665 51,444 20,831 1,668 2,614 4,222 10,758
Subtotal, International Activity of Worldwide American Businesses	129,202
<ul style="list-style-type: none"> ➤ American Energy Producers <ul style="list-style-type: none"> ▪ Repeal the Section 199 domestic manufacturing deduction for oil and natural gas companies, building on restrictions on the value of this benefit placed on oil & gas companies during the 110th Congress ▪ Repeal percentage depletion for oil and natural gas ▪ Repeal expensing of intangible drilling costs ▪ Increase geological and geophysical amortization period for independent producers to seven years ▪ Repeal deduction for tertiary injectants ▪ Repeal passive loss exception for working interests in oil and natural gas properties ▪ Repeal expensing of coal exploration and development costs ▪ Repeal percentage depletion for hard mineral fossil fuels ▪ Repeal capital gains treatment for royalties ▪ Repeal domestic manufacturing deduction for hard mineral fossil fuels 	18,260 11,202 12,447 1,408 92 203 447 1,353 369 410
Subtotal, American Energy Producers	46,191
<ul style="list-style-type: none"> ➤ Insurance <ul style="list-style-type: none"> ▪ Modify rules that apply to sales of life insurance contracts ▪ Modify dividends-received deduction for life insurance company separate accounts ▪ Extend pro rata interest expense disallowance for corporate-owned life insurance 	1,243 5,146 7,691
Subtotal, Insurance	14,080
<ul style="list-style-type: none"> ➤ Repeal the Last-In-First-Out (LIFO) inventory accounting method, eliminating a well-established accounting method that has been used by a variety of large and small businesses in a wide range of industries (e.g., manufacturing, energy, natural resources, wholesale distribution, and retail) since the 1930s 	52,880
<ul style="list-style-type: none"> ➤ Repeal lower-of-cost-or-market inventory accounting method 	8,168
<ul style="list-style-type: none"> ➤ Re-characterize “carried interest” (i.e., the share of profits from certain investment funds that is provided to the investment manager) as ordinary income rather than capital gain 	14,807
<ul style="list-style-type: none"> ➤ Deny deduction for punitive damages 	312
<ul style="list-style-type: none"> ➤ Reinstate Superfund excise taxes used to clean up toxic hazards at 	20,819

contaminated sites; these taxes were permitted to expire in 1995 pending structural reform of the Superfund program that has not yet occurred	
➤ Make unemployment insurance surtax (i.e., the “FUTA surtax”) permanent	15,015
➤ Implement standards clarifying when employee leasing companies can be held liable for their clients’ Federal employment taxes	64
➤ Modify rules pertaining to the classification of employees as independent contractors	8,710
SUBTOTAL, AMERICAN EMPLOYERS	343,464
ESTATE AND GIFT TAXES	
➤ Modify rules regarding valuation for transfer and income tax purposes	2,095
➤ Modify rules on valuation discounts	18,166
➤ Require a minimum term for grantor retained annuity trusts (GRATs)	2,959
➤ Reviving estate tax to 2009 levels in 2013	98,000
SUBTOTAL, ESTATE AND GIFT TAXES	121,220
OTHER REVENUE-RAISING PROVISIONS	
➤ Preserve cost-sharing of inland waterways capital costs	917
➤ Require information reporting for private separate accounts of life insurance companies	39
➤ Levy payments to Medicare providers with delinquent tax debt	748
➤ Levy payments to Federal Contractors with delinquent tax debt	719
➤ Implement IRS program integrity allocation adjustments	55,653
➤ Require a certified Taxpayer Identification Number for contractors	1,165
➤ Strengthen tax administration	263
➤ Impose a penalty on failure to comply with electronic filing requirements	9
➤ Increase penalty imposed on paid preparers who fail to comply with EITC due diligence requirements	318
➤ Repeal non-qualified preferred stock (NQPS) designation	872
➤ “Strengthen unemployment insurance system solvency”	45,868
➤ “Bipartisan financing” for transportation trust fund	328,000 ²
➤ Repeal gain limitation for dividends received in reorganization exchanges	849
➤ Increase oil spill liability trust fund financing rate by one cent	451
SUBTOTAL, OTHER REVENUE-RAISING PROVISIONS	435,871
TOTAL GROSS TAX INCREASES	1,930,846

² Other portions of the budget indicate that this figure -- which could suggest a proposed increase in the gas tax -- could be as high as \$435 billion.