

## 2007 CONFORMITY DECISION TABLES

<b>Table 1 – The Small Business Work Opportunity Act (SBWOTA) of 2007 (PL 110-28)</b>				
Assumed Enactment After June 30, 2008				
		<b>DECISION</b>		
<b>Act Section</b>	<b>Provisions</b>	<b>CONFORM</b>	<b>CONFORM WITH MODIFICATION</b>	<b>NOT CONFORM</b>
8215	Family business tax simplification	X		
8233	Recapture of bad debt reserves	Conform with Objection <sup>1</sup>		
8234	Treatment of sale of interest in a qualified subchapter S subsidiary	X		
8236	Permit interest deduction to an electing small business trust to acquire S corporation stock	X		
8241	Increase in age of minor children whose unearned income is taxed as if parents' income	Conform with Objection <sup>2</sup>		
8242	Modify interest suspension under 6404(g) from 18 to 36 months	X		
8245	Increase in penalty for bad checks and money orders	X		
8246	Understatement of taxpayer liability by return preparers	X		
8247	Penalty for filing erroneous refund claims	X		

<b>Table 2 – Title XV of the Energy Independence and Security Act (EISA) of 2007(PL 110-140)</b>				
Assumed Enactment After June 30, 2008				
		<b>DECISION</b>		
<b>Act Section</b>	<b>Provisions</b>	<b>CONFORM</b>	<b>CONFORM WITH MODIFICATION</b>	<b>NOT CONFORM</b>
1502	7-year amortization of geological and geophysical expenditures for major integrated oil companies	X		

<b>Table 3 – The Virginia Tech Victims and Family Assistance Act (PL 110-141)</b>				
Assumed Enactment After June 30, 2008				

<sup>1</sup> Ongoing revenue loss.

<sup>2</sup> Two objections: (1) Adult children would be required to share their confidential tax information with their parents; and (2) The 2007 change was not intended as a federal revenue raiser; rather, the intention was to close a perceived federal loophole.

		<b>DECISION</b>		
<b>Act Section</b>	<b>Provisions</b>	<b>CONFORM</b>	<b>CONFORM WITH MODIFICATION</b>	<b>NOT CONFORM</b>
1	Exclude from income payments from Hokie Spirit Memorial Fund	X		
2	Modify penalty for failure to file partnership returns.			X

<b>Table 4 – The Mortgage Forgiveness Debt Relief Act (MFDRA) of 2007 (PL 110-142)</b>				
Assumed Enactment After June 30, 2008				
		<b>DECISION</b>		
<b>Act Section</b>	<b>Provisions</b>	<b>CONFORM</b>	<b>CONFORM WITH MODIFICATION</b>	<b>NOT CONFORM</b>
1 - 2	Exclusion of discharge of principal residence indebtedness	Conform with Objection <sup>3</sup>		
3	Extension of deduction for private mortgage insurance	Conform with Objection <sup>4</sup>		
4	Change in tests to qualify as cooperative housing corporation	X		
5	Exclusion from income for benefits provided to volunteer EMS and firefighters	Conform with Objection <sup>5</sup>		
6	Modify the prohibition against full-time students from qualifying for LIHTC unit	X		
7	Allow surviving spouse to exclude from gross income up to \$500,000 of the gain from sale of principal residence if the sale occurs within 2 years of the death of the spouse	X		
8	Increase penalty for failure to file partnership returns.		X (20% of federal penalty)	
9	Impose a penalty for failure to file S corporation returns.		X (20% of federal penalty)	

<b>Table 5 – The Tax Technical Corrections Act of 2007 (TTCA) (HR 4839, PL 172)</b>				
Assumed Enactment After June 30, 2008				
	The Tax Technical Correction Act of 2007 (TTCA)	X		

<sup>3</sup> Two objections: (1) The \$2 million limitation is excessive, a \$1 million limitation is preferred; and (2) The 2008 operative date should instead be 2007, which is the same as the federal provision.

<sup>4</sup> Two objections: (1) Allowing a deduction for personal mortgage insurance (PMI) is subsidizing taxpayers who choose this type of mortgage; and (2) PMI should not be allowed as a deduction because it is one of the contributing factors that led to the current foreclosure crisis.

<sup>5</sup> An income exclusion should not be allowed for an activity that's a personal choice.