

**Table 1.—Tax Expenditure Estimates by Budget Function, Fiscal Years 2006–2010**  
[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
<b>National Defense</b>											
Exclusion of benefits and allowances to Armed Forces personnel .....						2.8	2.8	2.9	3.0	3.0	14.5
Exclusion of military disability benefits .....						0.1	0.1	0.1	0.1	0.1	0.4
Deduction for overnight-travel expenses of National Guard and Reserve Members .....						0.1	0.1	0.1	0.1	0.1	0.3
<b>International Affairs</b>											
Exclusion of income earned abroad by U.S. citizens .....						3.8	4.0	4.2	4.4	4.6	21.0
Exclusion of certain allowances for Federal employees abroad .....						0.6	0.6	0.7	0.7	0.8	3.4
Exclusion of extraterritorial income .....	3.9	1.9	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	6.2
Deferral of active income of controlled foreign corporations .....	3.4	5.8	6.4	7.0	7.5						30.1
Inventory property sales source rule exception .....	6.2	6.4	6.6	6.8	7.0						33.0
Deferral of certain active financing income .....	1.1	1.7									2.8
<b>General Science, Space, and Technology</b>											
Expensing of research and experimental expenditures .....	2.0	3.7	5.5	6.0	5.8	(1)	0.1	0.1	0.1	0.1	29.4
<b>Energy</b>											
Expensing of exploration and development costs:											
Oil and gas .....	1.1	1.6	1.2	0.8	0.6	(1)	(1)	(1)	(1)	(1)	5.4
Other fuels .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Excess of percentage over cost depletion:											
Oil and gas .....	1.0	1.0	0.9	0.9	0.9	(1)	(1)	(1)	(1)	(1)	4.7
Other fuels .....	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	0.6

Tax credit and deduction for small refiners with capital costs associated with EPA sulfur regulation compliance .....	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	.....	0.1
Tax credit for production of non-conventional fuels .....	2.7	3.2	1.2	(1)	(1)	1.0	1.0	0.2	(1)	(1)	.....	8.8
Tax credit for alcohol fuels <sup>2</sup> .....	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	.....	0.2
Tax credit for biodiesel fuels <sup>3</sup> .....	(1)	0.1	0.1	(1)	.....	.....	.....	.....	.....	.....	.....	0.2
Exclusion of interest on State and local government qualified private activity bonds for energy production facilities .....	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	.....	0.5
Exclusion of energy conservation subsidies provided by public utilities .....	.....	.....	.....	.....	.....	(1)	(1)	(1)	(1)	(1)	.....	0.1
Energy credit (Section 48) .....	(1)	0.1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.....	0.2
Tax credit for electricity production from renewable resources .....	2.0	3.7	5.5	6.0	5.8	0.1	0.1	0.1	0.1	0.1	.....	29.4
Deferral of gain from the disposition of electric transmission property to implement Federal Energy Regulatory Commission restructuring policy .....	0.6	0.5	(4)	-0.3	-0.3	.....	.....	.....	.....	.....	.....	0.4
Tax credit for holders of clean renewable energy bonds .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.....	0.2
Tax credits for investments in clean coal power generation facilities .....	(1)	0.1	0.1	0.2	0.2	.....	.....	.....	.....	.....	.....	0.5
Expensing of the cost of property used in the refining of liquid fuels .....	(1)	(1)	0.1	0.2	0.3	.....	.....	.....	.....	.....	.....	0.7
Amortization of geological and geophysical costs associated with oil and gas exploration .....	(4)	0.1	0.2	0.2	0.1	(4)	(1)	0.1	0.1	(1)	.....	0.8
Deduction for expenditures on energy-efficient commercial building property .....	(1)	0.1	(1)	(4)	(4)	(1)	0.1	(1)	(4)	(4)	.....	0.3
Tax credit for the purchase of qualified energy efficiency improvements to existing homes .....	.....	.....	.....	.....	.....	0.1	0.3	0.2	.....	.....	.....	0.6
Tax credit for the production of energy-efficient appliances .....	0.1	0.1	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.2
Tax credits for alternative technology vehicles .....	0.1	0.1	(1)	(1)	(1)	0.2	0.2	0.1	0.1	(1)	.....	0.8

**Table 1.—Tax Expenditure Estimates by Budget Function, Fiscal Years 2006–2010—Continued**

[Billions of dollars]

Function	Corporations					Individuals					Total 2006–10
	2006	2007	2008	2009	2010	2006	2007	2008	2009	2010	
Tax credit for clean-fuel vehicle refueling property .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.1
Five-year carryback period for certain net operating losses of electric utility companies ....	0.1	(1)	(1)	(4)	(4)	.....	.....	.....	.....	.....	0.1
<b>Natural Resources and Environment</b>											
Expensing of exploration and development costs, nonfuel minerals .....	0.1	0.1	0.1	0.1	0.1	(1)	(1)	(1)	(1)	(1)	0.4
Excess of percentage over cost depletion, nonfuel minerals .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Expensing of timber-growing costs .....	0.2	0.2	0.2	0.2	0.2	(1)	(1)	(1)	(1)	(1)	1.1
Exclusion of interest on State and local government qualified private activity bonds for sewage, water, and hazardous waste facilities .....	0.2	0.2	0.2	0.2	0.2	0.4	0.4	0.5	0.5	0.5	3.3
Special rules for mining reclamation reserves ..	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Special tax rate for nuclear decommissioning reserve funds .....	0.5	0.6	0.7	0.8	0.8	.....	.....	.....	.....	.....	3.4
Exclusion of contributions in aid of construction for water and sewer utilities .....	(1)	(1)	(1)	(1)	(1)	.....	.....	.....	.....	.....	0.2
Amortization of certified pollution control facilities .....	(1)	(1)	0.1	0.1	0.1	.....	.....	.....	.....	.....	0.3
Amortization and expensing of reforestation expenditures .....	(1)	(1)	(1)	(1)	(1)	0.1	0.1	0.1	0.1	0.1	0.6
<b>Agriculture</b>											
Expensing of soil and water conservation expenditures .....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.2
Expensing of fertilizer and soil conditioner costs .....	(1)	(1)	(1)	(1)	(1)	0.2	0.1	0.1	0.1	0.1	0.7