

JDB



OFFICE OF THE SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20500

Dear Mr. Salmon:

This is in response to your letter of February 20, 1981, in which you request estimates of the revenue loss from enactment of H.R. 1536, H.R. 1537, and H.R. 1538. This letter provides information with respect to H.R. 1537, which would provide tax-exempt industrial development bond financing for facilities constructed in compliance with state beverage container deposit laws and the initial stock of refillable beverage containers.

The revenue impact of this provision depends on the extent to which states enact beverage container legislation. Currently laws regarding the use of refillable beverage containers are in effect in six states — Oregon, Vermont, Maine, Michigan, Connecticut and Iowa — and will be effective shortly in Delaware and Massachusetts. Legislative action or referenda on this issue are expected in 1982 in Rhode Island, New Hampshire, New York, California, Arizona, Colorado and Washington. If beverage container laws are enacted in these states next year and other states in subsequent years, the estimated revenue loss from allowing the cost of facilities and containers to be financed with tax-exempt bonds is less than \$1 million in fiscal year 1982, \$11 million in 1983, \$31 million in 1984, \$49 million in 1985, and \$60 million in 1986.

I hope this information will be helpful to you.

Sincerely,

John G. Wilkins
Director
Office of Tax Analysis

Mr. John J. Salmon
Chief Counsel
Committee on Ways and Means
United States House of Representatives
Washington, D. C. 20515

[Faint, illegible handwritten or stamped text]