



2014 Extender Items

A GUIDE TO THE FEDERAL TAX PROVISIONS THAT EXPIRED IN 2013 AND 2014 ACTIONS TO EXTEND THEM

On December 31, 2013, fifty-five federal tax provisions expired. As can be seen below, this diverse set of provisions impacts a wide range of areas and taxpayers. At this time, none of these so called “extender items” has been renewed or extended. From the start, the Senate and House have taken differing approaches to the extender items. Led in the Senate by Finance Committee Chairman Ron Wyden (D-OR), the Senate has taken a comprehensive approach to the extender items. To this end, on April 28, 2014, the Finance Committee reported the EXPIRE Act (S. 2260) out of the committee which would extend the expiration of nearly all of the extender items for an additional year or two and put off any debate on making any of the extensions permanent. In contrast, the House, led by Ways and Means Committee Chairman Dave Camp (R-MI), has taken a more piecemeal approach, focusing its attention on considering, debating and voting on only select extender items. Most of the extender items which have gotten action in the House are those which Chairman Camp would make permanent under the Tax Reform Act of 2014 that he proposed earlier this year. Whether extender items will be addressed in the lame-duck session after the 2014 midterm elections, and how they are addressed, will likely be dependent on whether the Republicans take control of the majority in the Senate.

As discussed further below, the extender items include certain provisions that are important to our members and the small business community as a whole. Many of these “small business extender items” have received support in both the House and Senate. However, as any compromise on extenders is likely to take the Senate’s more comprehensive cover-all approach, it is important for small businesses to be aware, not only of the small business extender items, but also of the other extender items. When push comes to shove, it may well be some of these other items that prove to be the sticking point and stand in the way of prompt action on the extender items most important to the small business community.

IMPORTANT SMALL BUSINESS EXTENDER ITEMS

1. **Section 179 Expensing** (26 USC § 179) – allows businesses to write off small amounts of annual investment in capital assets, such as machinery, in the year that the asset is purchased in lieu of depreciating the investment over a number of years. In 2013, the Section 179 deduction limit was \$500,000 and the cap on the amount of capital assets that a business could purchase in a given year before their eligibility to take the Section 179 deduction was reduced or eliminated was \$2,000,000. On January 1, 2014, these limits dropped to \$25,000 and \$200,000 respectively. Section 179 is very important to small businesses and the SBCA supports the permanent increase of the Section 179 limits.

Extension Status – In the Senate, the EXPIRE Act would extend the increased Section 179 limits for two years (through the end of December 2015). On June 12, 2014, the House of Representatives passed the America’s Small Business Tax Relief Act of

2014 (H.R. 4457) which would make permanent the Section 179 \$500,000 deduction limit and \$2,000,000 asset cap.

2. **Bonus Depreciation** (26 USC §§ 168, 460) – allows businesses to take a deduction of 50% of the lease or purchase price of new capital assets in the year that the asset is acquired. Unlike Section 179 there is no asset cap, thus making this deduction available to a wider range of businesses. Like Section 179, bonus depreciation plays a very important role in business growth and development. The SBCA has consistently advocated for extensions of bonus depreciation and supports a permanent extension of the provision.

Extension Status – In the Senate, the EXPIRE Act would extend bonus depreciation for two years (through the end of December 2015). Also in the Senate, on July 29, 2014, Senator Mark Pryor (D-AR) introduced the Keeping Jobs in America Act (S.2681) which, among other things, would extend bonus depreciation through 2017. S.2681 was referred to the Senate Finance Committee where no further action has been taken on it. On the other side of the Hill, on June 11, 2014, the House of Representatives passed H.R. 4457, which would make bonus depreciation permanent.

3. **Tax Credit for Research and Experimentation Expenses** (26 USC § 41) – commonly known as the R&D credit, is a set of tax credits for businesses that incur qualified research expenses in a given year. Most notably, the R&D credit provides a tax credit equal to twenty percent of the amount by which a taxpayer's qualified research expenses for a taxable year exceed its base amount for that year. The R&D credit has been very important for driving ingenuity and progress in small and large businesses alike. The SBCA supports a permanent extension of the R&D credit. Ideally the SBCA would like to see this credit reformed so that it would be easier for a small business to be able to meet the administrative requirements necessary to qualify for the credit.

Extension Status – In the Senate, the EXPIRE Act would slightly expand and extend the R&D credit for two years (through the end of December 2015). On September 18, 2014, the House of Representatives passed the Jobs for America Act (H.R.4) which would, among other things, make the R&D credit permanent.

4. **Reduction in S Corporation Recognition Period for Built-In Gains Tax** (26 USC § 1374) – reduces the period during which an S Corporation which has converted from a C corporation is subject to corporate tax of built-in gains from ten to five years. This provision is important in providing businesses with the opportunity to change corporate structure without significant and long lasting tax implications.

Extension Status – In the Senate, the EXPIRE Act would extend the reduced 5 year period for two years (through the end of December 2015). On June 12, 2014, the House passed the S Corporation Permanent Tax Relief Act of 2014 (H.R. 4453) which would make the reduced 5 year period permanent.

5. **Special Rules For Qualified Small Business Stock** (26 USC §1202) – allows non-corporate taxpayers to exclude 100% of the gains made from the sale of small business stock in a C corporation that was acquired at the original issue and has been held for at least five years. On January 1, 2014, the exclusion amount reverted back to 50% of the gain. This section is

important to motivating investment in certain types of small businesses and the increased 100% exclusion level furthers this goal. The SBCA supports a permanent extension of this provision.

Extension Status – In the Senate, the EXPIRE Act would extend the 100% exclusion for two years (through the end of December 2015). Also in the Senate, Senator Robert Menendez (D-NJ) has introduced S.2139 which, among other things, would make the 100% exclusion permanent. S.2139 was referred to the Senate Finance Committee where no further action has been taken on it. In the House, Congresswoman Gwen Moore (D-WI) has introduced H.R. 3129 which would also make the 100% exclusion permanent. The bill was referred to the Ways and Means Committee however no action has been taken on it. Chairman Camp's tax reform would fully repeal the exclusion for any portion of the gains from the sale of small business stock.

OTHER EXTENDER ITEMS

6. Tax Free Charitable Distribution from IRAs (26 USC § 408) – allows IRA owners who are over 70.5 years old to exclude up to \$100,000 of distributions (whether required minimum distributions or otherwise) from their gross income when those distributions are made directly to public charities.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on January 28, 2014, Congressman Alan Grayson (D-FL) introduced a bill (H.R. 3944) which would extend this provision through the end of 2014. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp's Tax Reform Act of 2014 does not address this provision.

7. Basis Adjustment to S Corp Stock for Charitable Contributions of Property - (26 USC § 1367) – Allows shareholders in an S Corporation to account for their pro rata share of the corporation's charitable deductions even if the deduction exceeds the shareholder's adjusted basis in the corporation.

Extension Status – In the Senate, the EXPIRE Act would extend this provision for two years. On May 2, 2014, the Ways and Means Committee passed H.R. 4454 which would make this provision permanent.

8. Deduction for Qualified Tuition and Related Expenses (26 USC § 222) – provides an above the line deduction of \$4,000 for taxpayers with AGI's under \$65k and \$2,000 for taxpayers with AGI's under \$80k for tuition and other expenses related to higher education.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on January 28, 2014, Congressman Alan Grayson (D-FL) introduced a bill (H.R. 3943) which would extend this provision through the end of 2014. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp's Tax Reform Act of 2014 would eliminate this deduction.

9. Nonbusiness Energy Property Tax Credit (26 USC § 25C) – nonrefundable personal income tax credit for making energy efficient physical changes to principal residence.

Extension Status – In the Senate, the EXPIRE Act would extend the nonbusiness energy property tax credit for two years (through the end of December 2015) and adjust the requirements of qualifying windows, doors, skylights water heaters and boilers and adds energy efficient roofing products to the changes that qualify for the credit. The House has not yet considered the extension of the nonbusiness energy property tax credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

10. Alternative Fuel Vehicle Refueling Property Credit (26 USC § 30C (g)(2)) – investment tax credit for (non-hydrogen) alternative vehicle refueling property. An identical credit exists for investments in hydrogen alternative vehicle refueling property which does not expire until December 1, 2014.

Extension Status – In the Senate, the EXPIRE Act would extend the alternative fuel vehicle refueling credit as to all forms of qualifying alternative fuels (including hydrogen) through the end of December 2015. In the House, on May 22, 2014, Congressman John Larson (D-CT) introduced the Fuel Cell Hydrogen Infrastructure Act of 2014 (H.R. 4733) which would increase the credit for hydrogen related alternative vehicle refueling property and extend the credit as to hydrogen only through 2016. The bill was referred to the Ways and Means Committee but no action has been taken. The House has not yet taken any action on the extension of the alternative fuel vehicle refueling property credit provisions that relate to non-hydrogen fuels. Chairman Camp's Tax Reform Act of 2014 would repeal the credit as it relates to both hydrogen and non-hydrogen alternative refueling property.

11. Plug-In Electric Drive Vehicle Credit (26 USC § 30D(g)) – tax credit for the purchase of low-speed or two- or three-wheel electric vehicles.

Extension Status – In the Senate, the EXPIRE Act would extend the plug-in electric drive vehicle credit for two years (through the end of December 2015) as to two-wheeled electric vehicles but would modify the credit so that three-wheeled vehicles no longer qualify. In the House, on May 6, 2014, Congressman Peter Welch (D-VT) introduced the Electric CARS Act (H.R. 4584) which would increase and make assignable the plug-in electric drive vehicle credit and extend the credit through December 31, 2020. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp's Tax Reform Act of 2014 would repeal the plug-in electric drive vehicle credit.

12. Health Coverage Tax Credit (26 USC § 35) – refundable tax credit of 72.5 percent of the cost of qualified health coverage for a qualifying taxpayer and their dependents.

Extension Status – In the Senate, the EXPIRE Act would extend the health coverage tax credit for two years (through the end of December 2015). On the House side, on March 6, 2014, Congressman Adam Smith (D-WA) introduced the Trade Adjustment Assistance Act of 2014 (H.R. 4163) which would, among other things, increase the health coverage tax credit from 72.5 percent to 80 percent and extend it through the end of 2021. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp's Tax Reform Act of 2014 would repeal the health coverage tax credit.

13. Second Generation Biofuel Producer Tax Credit (26 USC § 40(b)) – credit for facilities producing cellulosic biofuel. Previously known as the cellulosic biofuel producer credit.

Extension Status – In the Senate, the EXPIRE Act would extend the second generation biofuel producer tax credit for two years (through the end of December 2015). The House has not yet considered the extension of the second generation biofuel producer tax credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

14. Biodiesel Fuel Credit (26 USC §§ 40A, 6426(c)(6), 6427(e)(6)(B)) – composed of three tax credits 1) credit for use of biodiesel, 2) credit for biodiesel production by small agri-biodiesel producers; and 3) credit for use of biodiesel or renewable diesel fuel mixtures.

Extension Status – In the Senate, the EXPIRE Act would extend all three provisions of the biodiesel fuel credit for two years (through the end of December 2015). The House has not yet considered the extension of the biodiesel fuel credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

15. Low Income Housing Tax Credit (26 USC § 42) – credit for developers spread over a period of ten years after low-income rental units are placed in service. The credit is still in effect, however, minimum credit rate of 9% for newly constructed or substantially rehabilitated properties has expired.

Extension Status – In the Senate, the EXPIRE Act would extend the 9% minimum credit rate through January 1, 2016. In the House, on May 22, 2014, Congressman Patrick Tiberi (R-OH) introduced H.R. 4717 which would make permanent the 9% minimum credit rate for unsubsidized new buildings and create a 4% minimum credit rate for unsubsidized exiting buildings. The bill was referred to the Ways and Means Committee but no action has yet been taken on it. Chairman Camp's Tax Reform Act of 2014 would make substantial changes to the Low Income Housing Tax Credit program. However, the Chairman's proposal would make permanent the 9% minimum credit rate.

16. Construction Date for Renewable Power Credit (26 USC §§ 45, 48) – tax credit for production from a renewable power facility which began construction before December 31, 2013, or, in alternate, investment tax credit for construction of such facility commencing before December 31, 2014.

Extension Status – In the Senate, the EXPIRE Act, would extend the credit to cover facilities for which construction began before December 31, 2015. On the House side, in mid-August 2014, fifty-four members signed on to a letter to the House Republican leadership calling for them to let the credit expire. Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

17. Indian Coal Production Credit (26 USC § 45) – production tax credit for coal produced on land that is owned by an Indian tribe.

Extension Status – In the Senate, the EXPIRE Act would extend the Indian Coal Production Credit for two years (through the end of December 2015). In the House, on May 30, 2014, Congressman Steve Daines (R-MT) introduced H.R. 4785 which

would modify and make permanent the Indian Coal Production Credit. The bill was referred to the Ways and Means Committee but no action has yet been taken on it. Chairman Camp's Tax Reform Act of 2014 does not appear to address the credit.

18. Indian Employment Tax Credit (26 USC § 45A) – tax credit for businesses that employ qualified individuals who themselves or their spouses are members of an Indian tribe and who work or live on or near an Indian reservation.

Extension Status – In the Senate, the EXPIRE Act would extend the Indian Employment Tax Credit for two years (through the end of December 2015). The House has not yet considered the extension of the Indian Employment Tax Credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

19. New Market Tax Credit (26 USC § 45D) – individual or corporate tax credit for making equity investments in Community Development Entities (CDEs) which invests in low income communities.

Extension Status – In the Senate, the EXPIRE Act would extend the New Market Tax Credit for two years (through the end of December 2015). The House has not yet acted on an extension to the New Market Tax Credit. Chairman Camp's Tax Reform Act of 2014 is silent on whether the New Market Tax Credit should be continued.

20. Railroad Track Maintenance Credit (26 USC § 45G) – tax credit for expenditures to maintain the tracks of certain classes of railroads.

Extension Status – In the Senate, the EXPIRE Act would extend the Railroad Maintenance Credit for two years (through the end of December 2015). The House has not yet considered the extension of the Railroad Track Maintenance Credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

21. New Energy Efficient Home Credit (26 USC § 45L) – tax credit for the construction of new qualifying energy-efficient homes.

Extension Status – In the Senate, the EXPIRE Act would extend New Energy Efficient Home Credit for two years (through the end of December 2015). The House has not yet considered the extension of the New Energy Efficient Home Credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

22. Energy Efficient Appliance Credit (26 USC § 45M) – tax credit for the purchasing of energy efficient improvements to existing homes.

Extension Status – In the Senate, the EXPIRE Act would extend the Energy Efficient Appliance Credit for two years (through the end of December 2015). The House has not yet considered the extension of the Energy Efficient Appliance Credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

23. Mine Rescue Team Training Credit (26 USC § 45D) – tax credit (up to \$10,000) for training mine rescue team members.

Extension Status – In the Senate, the EXPIRE Act would extend the Mine Rescue Team Training Credit for two years (through the end of December 2015). The House

has not yet considered the extension of the Mine Rescue Team Training Credit, however, Chairman Camp's Tax Reform Act of 2014 would repeal the credit.

24. Employer Wage Credit for Activated Military Reservists (26 USC § 45P) – tax credit for eligible employers on wage payments to activated military reservists.

Extension Status – In the Senate, the EXPIRE Act would extend the employer wage credit for activated military reservist for two years (through the end of December 2015) and expand the amount of the credit. In the House, in December 2013, Congressman Gary Peters (D-MI) introduced the Military Reserve Small Business Jobs Act of 2013 (H.R. 3759) that would extend the employer wage credit for activated military reservists for five years (through the end of December 2018). The bill was referred to the Ways and Means Committee but no action has yet to be taken on it. Chairman Camp's Tax Reform Act of 2014 is silent on whether the employer wage credit for activated military reservist should be continued.

25. Work Opportunity Tax Credit (26 USC § 51) – tax credit for employers who hire individuals from certain target groups who have faced historic barriers to employment.

Extension Status – In the Senate, the EXPIRE Act would extend the Work Opportunity Credit for two years (through the end of December 2015) and add the long-term unemployed to the list of target groups. In the House, on January 28, 2014, Congressman Alan Grayson (D-FL) introduced H.R. 3947 which would extend the Work Opportunity Credit through the end of 2014. The bill was referred to the Ways and Means Committee but no action has yet been taken on it. Chairman Camp's Tax Reform Act of 2014 would repeal the Work Opportunity Credit.

26. Qualified Zone Academy Bonds (26 USC § 54E) – tax credit bond to finance renovations, equipment purchases, course development and teacher training in public schools in certain designated communities.

Extension Status – In the Senate, the EXPIRE Act would extend the bond program through December 31, 2015 and make some minor clarifications or modifications to the program. In the House, on July 31, 2014, Congressman Ron Kind (D-WI) introduced H.R. 5347, which would modify and extend the bond program through the end of 2015. The bill was referred to the Ways and Means Committee but no action has yet been taken on it. Chairman Camp's Tax Reform Act of 2014 would repeal the Qualified Zone Academy Bond program.

27. Deduction for Expenses of Elementary and Secondary School Teachers (26 USC § 62) – \$250 above-the-line tax deduction for teachers and educators for personal purchases of materials and supplies used in the classroom.

Extension Status – In the Senate, the EXPIRE Act would extend the deduction through December 31, 2015. No action has yet been taken in the House, however, Chairman Camp's Tax Reform Act of 2014 would eliminate the deduction.

28. Exclusion for Mortgage Debt Forgiveness (26 USC § 108) – allows taxpayer to exclude from income up to \$2 million of forgiven mortgage debt.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on January 13, 2014, Congressman Bill Foster (D-IL) introduced H.R. 3856 which would, among other things, extend the exclusion through the end of 2015. The bill was referred to the Ways and Means Committee. Chairman Camp's Tax Reform Act of 2014 would eliminate the exclusion.

29. Parity for Exclusion for Employer-Provided Mass Transit and Parking Benefits (26 USC § 132) – allows employees to exclude from income certain employer-provided transportation benefits. The expired provision increased the monthly exclusion for mass transit and vanpool benefits to be the same as that for parking benefits.

Extension Status – In the Senate, the EXPIRE Act would extend the increased exclusion rate for mass transit and vanpool benefits through the end of 2015. In the House, on December 12, 2013, Congresswoman Eleanor Holmes Norton (D-DC) introduced H.R. 3751 which would extend the increased exclusion through the end of 2014. The bill was referred to the Ways and Means Committee. Chairman Camp's Tax Reform Act of 2014 does not appear to address the exclusion.

30. Military Basic Housing Allowance Under Low-Income Housing Credit (26 USC § 142) – excludes any military basic housing allowance received by an active duty member of the military from consideration when calculating whether the member qualifies for the low income housing tax credit program.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. No action has yet been taken in the House and Chairman Camp's Tax Reform Act of 2014 does not appear to address the provision.

31. Deduction for Mortgage Interest Premiums (26 USC § 163(h)) – allows deductions for mortgage insurance premiums on a qualified personal residence with a phase out for taxpayers whose adjusted gross income exceeds \$100,000.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, there have been two bills introduced in 2014 which would address this provision, one which would extend it one year (H.R. 3941) and one which would make it permanent (H.R. 4845). Chairman Camp's Tax Reform Act of 2014 would eliminate this deduction.

32. Deduction for State and Local General Sales Tax (26 USC § 164(b)) – allows taxpayers to elect to take itemized deduction for state and local sales taxes instead of taking an itemized deduction for state and local income tax.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, there have been two bills introduced in 2014 which would address this provision, one which would extend it one year (H.R. 3942) and one which would make it permanent (H.R. 4789). Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

33. Three Year Depreciation for Race Horses Two Years and Younger (26 USC § 168(e)) – allows owners to use a three year depreciation period for race horses.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. This issue has not been addressed in the House and is not mentioned in Chairman Camp's Tax Reform Act of 2014.

34. Fifteen Year Cost Recovery for Qualified Leasehold Improvements, Restaurant Buildings and Improvements and Retail Improvements (26 USC § 168(e)) – provides for a fifteen year recovery period for certain qualified improvements to leaseholds, restaurants, and retail improvements and for new restaurant buildings.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, there have been two bills introduced in 2014 which would address this provision, one which would extend it one year (H.R. 3948) and one which would make it permanent (H.R. 4212). Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

35. Seven Year Recovery Period for Motorsport Entertainment Complexes (26 USC § 168(e)) – provides for a seven year recovery period for land improvements and facilities at motorsport entertainment complexes.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. Also in the Senate, a bill (S.1826) introduced by Senator Debbie Stabenow on December 13, 2013, would make this provision permanent. In the House, Congressman Tom Reed, introduced a bill on June 20, 2014, which would make the provision permanent. The bill was referred to the Ways and Means Committee but no action has yet been taken on it. Chairman Camp's Tax Reform Act of 2014 does not appear to address this provision.

36. Accelerated Depreciation for Business Property on Indian Reservations (26 USC § 168(j)) – provides for a special accelerated depreciation recovery period for qualified property on Indian reservations.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action has been taken on this provision. Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

37. Election to Accelerate AMT Credit in Lieu of Additional First Year Depreciation (26 USC § 168(k)) – gives taxpayers the option to accelerate corporate AMT credits instead of taking bonus depreciation.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on May 23, 2014, Congressman John Larson (D-CT) introduced a bill (H.R. 4743) which, among other things, would extend this provision for two years, through the end of 2015. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp's Tax Reform Act of 2014 would eliminate the AMT altogether.

38. Special Depreciation Allowance for Second Generation Biofuel Plant Property (26 USC § 168(l)) – allows facilities producing certain biofuels to expense 50 percent of eligible capital in the first year that the facility is placed in service.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on December 21, 2013, Congressman Scott Peters (D-CA) introduced a bill (H.R. 3758) which, among other things, would extend this provision through the end of 2014. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

39. Special Rules for Contributions of Capital Gain Real Property Made for Conservation Purposes (26 USC § 170) – permits taxpayers to deduct up to 50% (or 100% for qualified ranchers or farmers) of the taxpayer's contribution base in real property contributed for conservation purposes.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. On July 17, 2014, the House passed the America Gives More Act of 2014 (H.R. 4719) which would make this deduction permanent.

40. Enhanced Charitable Deduction for Contributions of Food Inventory (26 USC §170) – permits businesses to claim an enhanced deduction for contributions to food inventory.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. On July 17, 2014, the House passed the America Gives More Act of 2014 (H.R. 4719) which would, among other things, make the enhanced deduction permanent.

41. Placed In Service Date for Partial Expensing of Certain Refinery Property (26 USC §179C) – provides taxpayers with the option of expensing 50 percent of qualified refinery assets constructed within a set period of time in the first year that the property is placed in service.

Extension Status – Neither the Senate nor the House have yet to consider an extension to this provision. It is not addressed in the EXPIRE Act. Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

42. Energy Efficient Commercial Buildings Deduction (26 USC §179D) – allows owners and lessees to take a deduction for the installation of energy efficient property (such as lights and heating and cooling systems) in the interior of the property.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action has been taken on this provision in 2014. Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

43. Election to Expense Advanced Mine Safety Equipment (26 USC §179E) – allows taxpayers to immediately expense 50% of certain qualified mine safety equipment.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action has been taken on this provision, however, Chairman Camp's Tax Reform Act of 2014 would eliminate this provision.

44. Special Expensing Rules for Certain Films and TV Productions (26 USC §181) – allows producers of film and TV to expense the first \$15 million of U.S. production costs.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action has been taken on this provision in 2014, however, Chairman Camp’s Tax Reform Act of 2014 would repeal this provision.

45. Deduction for Income Attributable to Domestic Production Activities in Puerto Rico (26 USC §199) – allows companies, for the purposes of the Section 199 deduction for U.S. based business activities, to include production activities in Puerto Rico in calculating gross production receipts.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on January 29, 2014, Congressman Pedro Pierluisi (D-PR) introduced a bill (H.R. 3968) which would extend this provision through the end of 2015. The bill was referred to the Ways and Means Committee but no action has been taken on it. Chairman Camp’s Tax Reform Act of 2014 would permanently treat production activities in Puerto Rico as “domestic” for Section 199 purposes.

46. Special Rules for Sales or Disposition to Implement FERC or State electric restructuring policy (26 USC § 451) – provides taxpayers an eight year period over which to recognize the gains on sales of transmission property by vertically integrated utilities to independent transmission companies.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action appears to have been taken on this provision in 2014. Chairman Camp’s Tax Reform Act of 2014 does not address this provision.

47. Modification of Tax Treatment of Certain Payments to Controlling Exempt Organizations (26 USC § 512) – allows tax exempt organizations to exclude from their unrelated business income, interest, rent, royalty and annuity payments from a controlled entity so long as those payments are no greater than fair market value.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action appears to have been taken on this provision in 2014. Chairman Camp’s Tax Reform Act of 2014 does not address this provision.

48. Treatment of Certain Dividends of RICs (26 USC §§ 871, 881) – under certain conditions, permits regulated investment companies (RICs) to follow a set process to designate all or a portion of dividends as interest related dividends.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action appears to have been taken on this provision in 2014. Chairman Camp’s Tax Reform Act of 2014 does not address this provision.

49. RIC Qualified Investment Entity treatment of FIRPTA (26 USC § 897) – includes regulated investment companies in the definition of a “qualified investment entity” for the purposes of Section 897 of the tax code.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, no action appears to have been taken on this provision in 2014. Chairman Camp’s Tax Reform Act of 2014 does not address this provision.

50. Exemptions Under Subpart F for Active Financing Income (26 USC §§ 953, 954) – allows U.S. Companies to exempt income derived by foreign subsidiaries in the active conduct of banking, financing, insurance or similar businesses.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on April 8, 2014, the Congressman Patrick Tiberi (R-OH) introduced H.R. 4429 which would make this provision permanent. The bill was reported out of the Ways and Means Committee on May 2, 2014. Chairman Camp’s Tax Reform Act of 2014 would extend this provision for five years with certain modifications.

51. Look-Through Treatment of Payments Between Related Controlled Foreign Corporations Under Foreign Personal Holding Company Rules (26 USC § 954) – allows U.S. companies to defer from taxes certain types of payments made between commonly controlled foreign corporations.

Extension Status – In the Senate, the EXPIRE Act would extend this provision through the end of 2015. In the House, on April 10, 2014, the Congressman Charles Boustany (R-LA) introduced H.R. 4464 which would make this provision permanent. The bill was reported out of the Ways and Means Committee on May 2, 2014. Chairman Camp’s Tax Reform Act of 2014 would also make this provision permanent.

52. Empowerment Zone Incentives (26 USC §§ 1202, 1391, 1394, 1396, 1397) – Provides special tax incentives for businesses and individuals in designated economically depressed areas (“Empowerment Zones”)

Extension Status – In the Senate, the EXPIRE Act would extend the Empowerment Zone Incentives for one year. The House has not yet considered the extension of the Empowerment Zone Incentives, however, Chairman Camp’s Tax Reform Act of 2014 would eliminate the incentives.

53. Credits for Alternative Fuels and Alternative Fuel Mixtures (26 USC §§ 6426, 6427)
– Nonrefundable excise tax credits or refundable income tax credit for blending or sales of alternative fuels and alternative fuel mixtures (not including liquefied hydrogen).

Extension Status – In the Senate, the EXPIRE Act would extend the credit through the end of 2015. The House has not yet considered an extension to the credit, however, Chairman Camp’s Tax Reform Act of 2014, would eliminate the credit.

54. Limit on Cover Over of Rum Excise Revenues to Puerto Rico and the Virgin Islands (26 USC § 7652(f)) – increases (from \$10.50 to \$13.25 per proof gallon) the amount of the

\$13.50 in excise tax collected on each per proof gallon of rum imported in the U.S. from Puerto Rico and the U.S. Virgin Islands which is then transferred back over to the treasuries of the respective territories.

Extension Status – In the Senate, the EXPIRE Act would extend the cover over rate of \$13.25 for two years (through the end of December 2015). The House has not yet considered the extension of the higher cover over rate and Chairman Camp's Tax Reform Act of 2014 is silent on the issue.

55. American Samoa Economic Development Credit (Pub. L. No. 109-432, sec. 119, as amended by Pub. L. No. 111-312, sec. 756) – a tax credit provided to certain U.S. corporations based on income earned in American Samoa.

Extension Status – – In the Senate, the EXPIRE Act would extend the American Samoa economic development credit for two years (through the end of December 2015) and expand the eligibility for the credit. The House has not yet considered the extension of the American Samoa economic development credit and Chairman Camp's Tax Reform Act of 2014 is silent on the credit.