LIST OF EXPIRING FEDERAL TAX PROVISIONS
2001-2010

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of the
JOINT COMMITTEE ON TAXATION

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INTRODUCTION

This document,[1] prepared by the staff of the Joint Committee on Taxation, provides a listing of tax provisions (with Code sections) that are currently scheduled to expire in 2001-2010.

[1] This document may be cited as follows: Joint Committee on Taxation, *List of Expiring Federal Tax Provisions, 2001-2010* (JCX-56-01) June 25, 2001.

EXPIRING FEDERAL TAX PROVISIONS, 2001-2010

A. Provisions Expiring in 2001

Provision (Code section)	Expiration Date
1. Tax on failure to comply with mental health parity requirements applicable to group health plans (sec. 9812)	9/29/01
2. Personal tax credits allowed against regular tax and alternative minimum tax ("AMT") (sec. 26)[2]	12/31/01
3. Tax credit for electricity production from wind, closed-loop biomass, and poultry waste-- facilities placed in service date (sec. 45)	12/31/01
4. Work opportunity tax credit (sec. 51)	12/31/01
5. Welfare-to-work tax credit (sec. 51A)	12/31/01
6. Suspension of 100 percent-of-net-income limitation on percentage depletion for oil and gas from marginal wells (sec. 613A)	12/31/01
7. Exceptions under subpart F for active financing income (secs. 953 and 954)	12/31/01
8. Qualified zone academy bonds (sec. 1397E)	12/31/01
9. Temporary increase in limit on cover over of rum excise tax revenues (from $10.50 to $13.25 per proof gallon) to Puerto Rico and the Virgin Islands (sec. 7652(f))	12/31/01

[2] The Economic Growth and Tax Relief Reconciliation Act of 2001 made this provision permanent with respect to the child tax credit and the adoption credit. The provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001 sunset after 2010; see Part I., below.

Provision (Code section)	Expiration Date
10. Suspension of section 4101(e) diesel dyeing mandate (sec. 1032(f) of the Taxpayer Relief Act of 1997)	12/31/01

B. Provisions Expiring in 2002

Provision (Code section)	Expiration Date
1. Combined employment tax reporting demonstration project (sec. 976 of the Taxpayer Relief Act of 1997)	8/5/02
2. Archer medical savings accounts ("MSAs") (sec. 220)	12/31/02
3. Luxury excise tax on passenger highway automobiles (sec. 4001)	12/31/02[3]

[3] The luxury excise tax on automobiles phases down as follows: 4 percent in 2001 and 3 percent in 2002.

C. Provisions Expiring in 2003

Provision (Code section)	Expiration Date
1. Disclosure of tax return information for administration of certain veterans programs (sec. 6103(1)(7)(D)(viii))	9/30/03
2. Disclosure of tax return information to carry out administration of income contingent repayment of student loans (sec. 6103(l)(13))	9/30/03
3. IRS user fees for letter rulings, determination letters, advance pricing agreements, and similar requests (sec. 10511 of the Revenue Act of 1987)	9/30/03
4. Indian employment tax credit (sec. 45A)	12/31/03
5. Accelerated depreciation for business property on an Indian reservation (sec. 168(j))	12/31/03
6. Enhanced deduction for corporate contributions of computer equipment for educational purposes (sec. 170(e)(6))	12/31/03
7. Expensing of "brownfields" environmental remediation costs (sec. 198)	12/31/03
8. Tax incentives for investment in the District of Columbia:	
a. Designation of D.C. enterprise zone; employment tax credit; additional expensing (sec. 1400)	12/31/03
b. Tax-exempt D.C. empowerment zone bonds (sec. 1400A)	12/31/03
c. Zero percent capital gains rate for investment in D.C. for property acquired by 12/31/03; for gains through 12/31/08 (sec. 1400B)	12/31/03

Provision (Code section)	Expiration Date
d. Tax credit for first-time D.C. homebuyers (sec. 1400C)	12/31/03
9. Joint Committee on Taxation annual report and annual joint hearings on IRS strategic plans (secs. 8021(f)(2) and 8022(3)(C))	12/31/03

D. Provisions Expiring in 2004

Provision (Code section)	Expiration Date
1. Tax credit for research and experimentation expenses (sec. 41)	6/30/04
2. Tax credit for qualified electric vehicles (sec. 30)	12/31/04[4]
3. Increased alternative minimum tax ("AMT") exemption amount (sec. 55(d)(1))	12/31/04
4. Deduction for clean-fuel vehicles and refueling property (sec. 179A)	12/31/04[5]
5. Special depreciation rule for certain clean-fuel passenger automobiles (sec. 280F(a)(1)(C))	12/31/04

[4] The credit phases down for vehicles placed in service after 12/31/01. The credit is reduced by 25 percent in 2002, 50 percent in 2003, and 75 percent in 2004. No credit is available after 2004.

[5] The deduction phases down for vehicles placed in service after 12/31/01. The deduction is reduced by 25 percent in 2002, 50 percent in 2003, and 75 percent in 2004. No deduction is allowed after 2004.

E. Provisions Expiring in 2005

Provision (Code section)	Expiration Date
1. Leaking underground storage tank trust fund excise tax (sec. 4081(d)(3))	3/31/05
2. Aquatic resources trust fund and land and water conservation fund excise tax on motorboat gasoline and special fuels (secs. 4041(a) and 4081(a)(1)) -- all but 4.3 cents per gallon[6]	9/30/05
3. Highway trust fund excise tax rates:	
a. All but 4.3 cents per gallon of the taxes on highway gasoline, diesel fuel, kerosene, and special motor fuels (secs. 4041(a) and 4081(d)(1))[7]	9/30/05
b. Tax on retail sale of heavy highway vehicles (sec. 4051(c))	9/30/05
c. Tax on heavy truck tires (sec. 4071)	9/30/05
d. Annual use tax on heavy highway vehicles (sec. 4481)	9/30/05
4. Puerto Rico economic activity tax credit (sec. 30A)	12/31/05
5. Deduction for qualified tuition and related expenses (sec. 222)	12/31/05
6. Transfer of excess pension assets to retiree health accounts (sec. 420)	12/31/05
7. Puerto Rico and possession tax credit (sec. 936)	12/31/05

[6] The 4.3-cents-per-gallon rate is permanent.

[7] The 4.3-cents-per-gallon rate is permanent.

Provision (Code section)	Expiration Date
8. Authority for undercover operations (sec. 7608(c))	12/31/05

F. Provisions Expiring in 2006

Provision (Code section)	Expiration Date
1. Credit for elective deferrals and individual retirement arrangement ("IRA") contributions (sec. 25B)	12/31/06

G. Provisions Expiring in 2007

Provision (Code section)	Expiration Date
1. Airport and airway trust fund excise taxes:	
a. All but 4.3 cents per gallon of taxes on noncommercial aviation jet fuel and noncommercial aviation gasoline (secs. 4041(c), 4081(d), and 4091)[8]	9/30/07
b. Domestic and international air passenger ticket taxes (sec. 4261)	9/30/07
c. Air cargo tax (sec. 4271)	9/30/07
2. Reduced excise tax rates for alcohol fuels and alcohol fuels mixtures (secs. 4041(b)(2) and (k), 4081(c), and 4091(c))	9/30/07[9]
3. Alcohol fuels income tax credits (sec. 40)	12/31/07[10]
4. New markets tax credit (sec. 45D)	12/31/07
5. FUTA surtax of 0.2 percent (sec. 3301)	12/31/07

[8] The 4.3-cents-per-gallon rate is permanent.

[9] The reduced rates expire earlier if the tax rate on gasoline and other motor fuels drops to 4.3 cents per gallon, which is currently scheduled to occur after September 30, 2005, unless the Highway Trust Fund tax rates are extended beyond that date.

[10] The income tax credits expire earlier if the tax rate on gasoline and other motor fuels drops to 4.3 cents per gallon, which is currently scheduled to occur after September 30, 2005, unless the Highway Trust Fund tax rates are extended beyond that date.

H. Provisions Expiring in 2009

Provision (Code section)	Expiration Date
1. Empowerment zone tax incentives:	
a. Increased exclusion of gain on sale of empowerment zone stock (sec. 1202)	12/31/09
b. Empowerment zone tax-exempt bonds and employment credit (secs. 1394 and 1396)	12/31/09
c. Increased expensing under sec. 179 (sec. 1397A)	12/31/09
d. Nonrecognition of gain on rollover of empowerment zone investments (sec. 1397B)	12/31/09
2. Renewal community tax incentives:	
a. Zero-percent capital gains (sec. 1400F)	12/31/09
b. Employment credit (sec. 1400H)	12/31/09
c. Commercial revitalization deduction (sec. 1400I)	12/31/09
d. Increased expensing under sec. 179 (sec. 1400J)	12/31/09

I. Provisions Expiring in 2010

Provision (Code section)	Expiration Date
1. All provisions of the Economic Growth and Tax Relief Reconciliation Act of 2001	12/31/10