

**LIST OF EXPIRING FEDERAL TAX PROVISIONS
2020-2029**

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



January 16, 2020
JCX-1-20

CONTENTS

	<u>Page</u>
INTRODUCTION	1
A. Provisions Expiring in 2020.....	2
B. Provisions Expiring in 2021.....	7
C. Provisions Expiring in 2022.....	8
D. Provisions Expiring in 2023.....	10
E. Provisions Expiring in 2025.....	11
F. Provisions Expiring in 2026.....	14
G. Provision Expiring in 2027	15
H. Provisions Expiring in 2029.....	16

INTRODUCTION

This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a listing of Federal tax provisions (other than those providing time-limited transition relief after the modification of an underlying rule) that are currently scheduled to expire in 2020–2029 (with references to the applicable section of the Internal Revenue Code of 1986 or other applicable law).

For purposes of compiling this list, the staff of the Joint Committee on Taxation considers a provision to be expiring if, at a statutorily specified date, the provision expires completely or reverts to the law in effect before the present-law version of the provision. A suspension or deferral of the effective date of a provision is not considered an expiration of the present-law version of the provision.² Certain provisions terminate on dates that refer to a taxpayer's taxable year and not a calendar year. For these provisions, the expiration dates listed in this document apply with respect to calendar-year taxpayers. The expiration dates of such provisions may differ, however, with respect to fiscal-year taxpayers or taxpayers with short taxable years. Years in which there are no expiring provisions are not listed in this document.

¹ This document may be cited as follows: Joint Committee on Taxation, *List of Expiring Federal Tax Provisions 2020-2029* (JCX-1-20), January 16, 2020. This document can be found on the Joint Committee on Taxation website at www.jct.gov.

² For example, taxpayers may currently elect under section 174 to deduct research or experimental expenditures that are paid or incurred during the taxable year in connection with a trade or business. With respect to amounts paid or incurred in taxable years beginning after December 31, 2021, however, section 174 is amended such that such expenditures, including expenditures for software development, are required to be capitalized and amortized ratably over a five-year period (a 15-year period in the case of foreign research). Because the effective date of the amortization requirement is deferred, this pamphlet does not record the loss of the current-year deduction for qualifying expenditures as an expiring tax provision.

A. Provisions Expiring in 2020

Provision (Code section)	Expiration Date
1. Credit for certain nonbusiness energy property (sec. 25C(g))	12/31/20
2. Credit for qualified fuel cell motor vehicles (sec. 30B(k)(1))	12/31/20
3. Credit for alternative fuel vehicle refueling property (sec. 30C(g))	12/31/20
4. Credit for two-wheeled plug-in electric vehicles (sec. 30D(g)(3)(E)(ii))	12/31/20
5. Credit for health insurance costs of eligible individuals (sec. 35(b)(1)(B))	12/31/20
6. Second generation biofuel producer credit (sec. 40(b)(6)(J))	12/31/20
7. Beginning-of-construction date for renewable power facilities eligible to claim the electricity production credit or investment credit in lieu of the production credit (secs. 45(d) and 48(a)(5))	12/31/20
8. Credit for production of Indian coal (sec. 45(e)(10)(A))	12/31/20
9. Indian employment credit (sec. 45A(f))	12/31/20
10. New markets tax credit (sec. 45D(f)(1)) ³	12/31/20

³ Subject to a carryover. No amount may be carried to any calendar year after 2025. Sec. 45D(f)(3).

Provision (Code section)	Expiration Date
11. Credit for construction of new energy efficient homes (sec. 45L(g))	12/31/20
12. Mine rescue team training credit (sec. 45N(e))	12/31/20
13. Employer credit for paid family and medical leave (sec. 45S(i))	12/31/20
14. Work opportunity credit (sec. 51(c)(4))	12/31/20
15. Exclusion from gross income of discharge of indebtedness on principal residence (sec. 108(a)(1)(E))	12/31/20
16. Benefits provided to volunteer firefighters and emergency medical responders (sec. 139B(d))	12/31/20
17. Treatment of premiums for certain qualified mortgage insurance as qualified residence interest (sec. 163(h)(3)(E)(iv))	12/31/20
18. Three-year recovery period for race horses two years old or younger (sec. 168(e)(3)(A))	12/31/20
19. Seven-year recovery period for motorsports entertainment complexes (sec. 168(e)(3)(C)(ii) and (i)(15)(D))	12/31/20
20. Accelerated depreciation for business property on an Indian reservation (sec. 168(j)(9))	12/31/20

Provision (Code section)	Expiration Date
21. Special depreciation allowance for second generation biofuel plant property (sec. 168(l)(2)(D))	12/31/20
22. Energy efficient commercial buildings deduction (sec. 179D(h))	12/31/20
23. Special expensing rules for certain film, television, and live theatrical productions (sec. 181(g)) ⁴	12/31/20
24. Medical expense deduction: adjusted gross income (AGI) floor 7.5 percent (sec. 213(f))	12/31/20
25. Deduction for qualified tuition and related expenses (sec. 222(e))	12/31/20
26. Special rule for sales or dispositions by a qualified electric utility to implement Federal Energy Regulatory Commission (“FERC”) or State electric restructuring policy (sec. 451(k)(3))	12/31/20
27. Look-through treatment of payments between related controlled foreign corporations under the foreign personal holding company rules (sec. 954(c)(6)(C))	12/31/20

⁴ Qualified film, television, and live theatrical productions (as defined in section 181(d) and (e)) are eligible for the additional first-year depreciation allowance under section 168(k) if (1) acquired and placed in service after September 27, 2017, and before January 1, 2027, and (2) a deduction otherwise would have been allowable under section 181 without regard to the dollar limitation or termination of that section. See sec. 168(k)(2)(A)(i)(IV) and (V).

Provision (Code section)	Expiration Date
28. Empowerment zone tax incentives: ⁵	
a. Designation of an empowerment zone and of additional empowerment zones (sec. 1391(d)(1)(A)(i) and (h)(2))	12/31/20
b. Empowerment zone tax-exempt bonds (secs. 1394 and 1391(d)(1)(A)(i))	12/31/20
c. Empowerment zone employment credit (secs. 1396 and 1391(d)(1)(A)(i))	12/31/20
d. Increased expensing under sec. 179 (secs. 1397A and 1391(d)(1)(A)(i))	12/31/20
e. Nonrecognition of gain on rollover of empowerment zone investments (secs. 1397B and 1391(d)(1)(A)(i))	12/31/20
29. Black Lung Disability Trust Fund: increase in amount of excise tax on coal (sec. 4121(e)(2))	12/31/20
30. Oil Spill Liability Trust Fund financing rate (sec. 4611(f)(2))	12/31/20
31. Provisions modifying the rates of taxation of beer, wine, and distilled spirits, and certain other rules (secs. 263A(f)(4), 5001, 5041, 5051, 5212, and 5414)	12/31/20

⁵ The empowerment zone tax incentives may expire earlier than December 31, 2020, if a State or local government provided for an expiration date in the nomination of an empowerment zone, or the appropriate Secretary revoked an empowerment zone's designation. The State or local government may, however, amend the nomination to provide for a new termination date.

Provision (Code section)	Expiration Date
32. Incentives for alternative fuel and alternative fuel mixtures:	
a. Excise tax credits and outlay payments for alternative fuel (secs. 6426(d)(5) and 6427(e)(6)(C))	12/31/20
b. Excise tax credits for alternative fuel mixtures (sec. 6426(e)(3))	12/31/20
33. American Samoa economic development credit (sec. 119 of Pub. L. No. 109-432, as amended)	12/31/20

B. Provisions Expiring in 2021

Provision (Code section)	Expiration Date
1. Credit for residential energy property (sec. 25D(h))	12/31/21
2. Beginning-of-construction date for increased credit for business solar energy property (sec. 48(a)(2)(A)(i)(II))	12/31/21
3. Beginning-of-construction date for credit for fiber optic solar lighting system property, geothermal heat pump property, qualified fuel cell and stationary microturbine power plant property, combined heat and power property, and small wind property (sec. 48(a)(3)(A)(ii), (a)(3)(A)(vii), (c)(1)(D), (c)(2)(D), (c)(3)(A)(iv), and (c)(4)(C))	12/31/21
4. Computation of adjusted taxable income without regard to any deduction allowable for depreciation, amortization, or depletion for purposes of the limitation on business interest (sec. 163(j)(8)(A)(v))	12/31/21
5. Five-year recovery period for certain energy property (secs. 168(e)(3)(B)(vi)(I) and 48(a)(3)(A))	12/31/21
6. 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))	12/31/21

C. Provisions Expiring in 2022

Provision (Code section)	Expiration Date
1. Highway Trust Fund excise taxes: ⁶	
a. All tax rates (except for the permanent 4.3-cents-per-gallon rate) on highway gasoline, diesel fuel, kerosene, and alternative fuels (secs. 4041(a) and 4081(d)(1))	9/30/22
b. Reduced tax rate on partially exempt methanol or ethanol fuel (sec. 4041(m))	9/30/22 ⁷
c. Tax on retail sale of heavy highway vehicles (sec. 4051(c))	9/30/22
d. Tax on heavy truck tires (sec. 4071(d))	9/30/22
2. Leaking Underground Storage Tank Trust Fund financing rate (secs. 4041(d)(4), 4042(b)(4), and 4081(d)(3))	9/30/22
3. Incentives for biodiesel and renewable diesel:	
a. Income tax credits for biodiesel fuel, biodiesel used to produce a qualified mixture, and small agri-biodiesel producers (sec. 40A(g))	12/31/22
b. Income tax credits for renewable diesel fuel and renewable diesel used to produce a qualified mixture (sec. 40A(g))	12/31/22

⁶ The Highway Trust Fund excise tax rates relating to the annual use tax on heavy highway vehicles (sec. 4481(f)) expire September 30, 2023.

⁷ After September 30, 2022, in the case of fuel none of the alcohol in which consists of ethanol, the rate is 2.15 cents per gallon. In any other case, the rate is 4.3 cents per gallon.

- | | |
|---|----------|
| c. Excise tax credits and outlay payments for biodiesel fuel mixtures (secs. 6426(c)(6) and 6427(e)(6)(B)) | 12/31/22 |
| d. Excise tax credits and outlay payments for renewable diesel fuel mixtures (secs. 6426(c)(6) and 6427(e)(6)(B)) | 12/31/22 |
| 4. Railroad track maintenance credit (sec. 45G(f)) | 12/31/22 |

D. Provisions Expiring in 2023

Provision (Code section)	Expiration Date
1. Beginning-of-construction date for certain qualified carbon dioxide sequestration facilities (sec. 45Q(d)(1))	12/31/2023
2. Airport and Airway Trust Fund excise taxes:	
a. All tax rates (except for the permanent 4.3-cents-per-gallon rate) on noncommercial aviation kerosene and noncommercial aviation gasoline (secs. 4081(d)(2)(B) and 4083(b))	9/30/23
b. Domestic and international air passenger ticket taxes and ticket tax exemption for aircraft in fractional ownership aircraft programs (sec. 4261(k) and (j))	9/30/23
c. Air cargo tax (sec. 4271(d))	9/30/23
d. Surtax on fuel used in aircraft in a fractional ownership program (sec. 4043(d))	9/30/23
3. Highway Trust Fund excise taxes: ⁸ Annual use tax on heavy highway vehicles (sec. 4481(f))	9/30/23

⁸ Other Highway Trust Fund excise tax rates expire September 30, 2022.

E. Provisions Expiring in 2025

Provision (Code section)	Expiration Date
1. Modification of individual income tax rates and special rules for unearned income of children (sec. 1(j))	12/31/25
2. Child tax credit: Increased credit amount, increased refundable amount, reduced earned income threshold, modification of identification requirements (sec. 24(h))	12/31/25
3. Increase in exemption amount and phaseout threshold of individual AMT (sec. 55)	12/31/25
4. Rate on modified taxable income and treatment of credits in the calculation of base erosion minimum tax amount (sec. 59A(b)(2))	12/31/25
5. Increase in standard deduction of individuals (sec. 63(c)(7))	12/31/25
6. Suspension of miscellaneous itemized deduction (sec. 67(g))	12/31/25
7. Suspension of limitation on itemized deductions (sec. 68(f))	12/31/25
8. Tax exemption for student loan discharges on account of death or disability (sec. 108(f)(5))	12/31/25
9. Treatment of certain individuals performing services in the Sinai Peninsula of Egypt (sec. 11026 of Pub. L. No. 115-97)	12/31/25

Provision (Code section)	Expiration Date
10. Suspension of exclusion for reimbursement of bicycle commuting (sec. 132(f)(8))	12/31/25
11. Suspension of exclusion for moving expense reimbursement (sec. 132(g)(2))	12/31/25
12. Suspension of deduction for personal exemptions (sec. 151(d)(5))	12/31/25
13. Limitation on deduction for qualified residence interest, suspension of deduction for home equity interest (sec. 163(h)(3)(F))	12/31/25
14. Limitation on deduction for State, local, etc., taxes (sec. 164(b)(6))	12/31/25
15. Personal casualty losses limited to Federally declared disaster areas (sec. 165(h)(5))	12/31/25
16. Modification of rules relating to computation of wagering losses (sec. 165(d))	12/31/25
17. Increase in percentage limitation on cash contributions to public charities (sec. 170(b)(1)(G))	12/31/25
18. Qualified business income deduction (sec. 199A(i))	12/31/25
19. Suspension of deduction for moving expenses (sec. 217(k))	12/31/25

Provision (Code section)	Expiration Date
20. Deduction percentages for foreign-derived intangible income and global intangible low-taxed income (sec. 250(a)(3))	12/31/25
21. Deductibility of employer <i>de minimis</i> meals and related eating facility, and meals for the convenience of the employer (sec. 274(o))	12/31/25
22. Transfer of excess pension assets to retiree health and life insurance accounts (sec. 420(b)(4))	12/31/25
23. Limitation on excess business losses of noncorporate taxpayers (sec. 461(l))	12/31/25
24. ABLE accounts (sec. 529A):	
a. Contributions eligible for saver's credit (sec. 25B(d)(1)(D))	12/31/25
b. Rollovers from qualified tuition programs permitted (sec. 529(c)(3)(C)(i)(III))	12/31/25
c. Increase in contributions limit (sec. 529A(b)(2)(B))	12/31/25
25. Increase in estate and gift tax exemption (sec. 2010(c)(3)(C))	12/31/25

F. Provisions Expiring in 2026

Provision (Code section)	Expiration Date
1. Additional first-year depreciation with respect to qualified property (secs. 168(k)(2)(A)(iii) and 460(c)(6)(B))	12/31/26 ⁹
2. Election of additional depreciation for certain plants bearing fruits and nuts (sec. 168(k)(5)(A))	12/31/26 ¹⁰
3. Election to invest capital gains in an opportunity zone (sec. 1400Z-2(a)(2)(B))	12/31/26

⁹ Subject to a phasedown in 2023-2026. December 31, 2027, for certain longer-lived and transportation property (subject to a phasedown in 2024-2027). Sec. 168(k)(2)(B)(i)(II) and (6)(A) and (B).

¹⁰ Subject to a phasedown in 2023-2026. Sec. 168(k)(6)(C).

G. Provision Expiring in 2027

Provision (Code section)	Expiration Date
1. Expensing of certain costs of replanting citrus plants lost by reason of casualty (sec. 263A(d)(2)(C)(ii))	12/22/27

H. Provisions Expiring in 2029

Provision (Code section)	Expiration Date
1. Specified health insurance policy fee (sec. 4375(e))	9/30/29
2. Self-insured health plan fee (sec. 4376(e))	9/30/29