

# THE DAILY CALLER

## What's In The \$650 Billion Tax-Extender Package?

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Just before midnight Tuesday, lawmakers unveiled legislation slated to make a number of tax breaks permanent, extend dozens of expired tax incentives and place more regulations on the IRS.

The measure, which is expected to be receive strong Republican support, solidifies several pro-business provisions including the research and development tax credit and a 20 percent employer wage credit for those called to active military duty.

A provision modifying limitations under Section 179 of the tax code on small businesses would be put into effect and made permanent, upping the numbers from \$25,000 and \$200,000 to \$500,000 and \$2 million respectively and eliminating the \$250,000 cap.

Pete Sepp, the president of the National Taxpayers Union, told The Daily Caller News Foundation the bill will help Congress shift away from “the haphazard tax policies of the past.”

“After all, Section 179’s \$500,000 limit amounts to a 100 percent same-year write-off for investments that at least some small businesses would make,” Sepp said. “A 100 percent same-year write-off, regardless of business size, would be the ideal for a streamlined tax system, so this is a good step.”

Members on both sides of the aisle have praised the package for providing a good base to reform the tax code.

“By passing this bill now, Congress will have the freedom in the New Year to move forward with comprehensive tax reform that grows our economy,” House Committee on Ways and Means Chairman Kevin Brady said in a statement following the bill’s release.

Senate Committee on Finance Ranking Member Ron Wyden praised the Protecting Americans from Tax Hikes (PATH) Act of 2015 for its permanent extension of the American Opportunity Tax Credit, which provides a break for higher education expenses.

“This bill highlights clear priorities for reforming our tax system,” the Oregon Democrat said. “What does that mean? Millions of working families with children will not find themselves suddenly taxed into poverty. Millions of college students won’t have the rug pulled out from

under them when the tuition bill arrives. Charities can confidently plan and expand the good work they do.”

Permanent tax breaks on the Earned Income Tax Credit (EITC) and Child Tax Credit (CTC), which Democrats lobbied for, also made it into the package

Critics of the EITC and CTC say it provides subsidies to those that don't pay any income taxes and allows for unauthorized immigrants to receive billions through the tax breaks.

“While the recipients gain from this largesse, every dollar of that gain is a dollar of direct loss for other people who pay the taxes to support the program,” the Cato Institute said in a report.

New restrictions would also be put in place on tax-free spinoffs involving Real Estate Investment Trusts.

In addition to tax breaks, the measure would reign in the IRS' power by preventing the agency from unfairly targeting groups based on political ideology, and stopping the its employees using personal email accounts for official use.

While the measure, which is estimated to cost around \$650 million, provides some wins for both parties, it has seen some pushback from Democratic leadership in the House.

“Republicans' tax extender bill provides hundreds of billions of dollars in special interest tax breaks that are permanent and unpaid for. These massive giveaways to the special interests and big corporations are deeply destructive to our future,” House Minority Leader Nancy Pelosi said in a statement. “We have a responsibility to pass legislation that grows the paychecks of hard-working families and invests in the future of our children. The tax extender bill fails to meet that test.”

The measure is expected to be voted on as early as Thursday.