



# TaxNewsFlash

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## Senate Finance, House Ways and Means chairs release bipartisan framework for tax legislation

U.S. Senate Finance Committee Chairman Ron Wyden (D-OR) and House Ways and Means Committee Chairman Jason Smith (R-MO) today [released](#) a bipartisan framework for proposed tax legislation. To be introduced as the “Tax Relief for American Families and Workers Act of 2024,” the plan would address scheduled changes in business taxation under the Tax Cuts and Jobs Act among other things. Ranking Members Senator Mike Crapo (R-ID) and Representative Richard Neal (D-MA) do not appear to be parties to the announcement.

The provisions of the proposed legislation are expected to include:

- Enhancements to the child tax credit
- Expensing for research & development (R&D). Generally effective for domestic R&D costs paid or incurred in tax years beginning between December 31, 2021 and January 1, 2026
- Extension of allowance for depreciation, amortization, or depletion in determining the limitation on business interest deductibility. Generally applicable for tax years beginning between December 31, 2023 and December 1, 2026, with an election available for tax years beginning between December 31, 2021 and January 1, 2024.
- Extension of 100% bonus depreciation for investments in machines, equipment, and vehicles. Generally effective for tax years beginning between December 31, 2022 and January 1, 2026.
- Increase in limitations on expensing of depreciable business assets. Generally effective for property placed in service in tax years beginning after December 31, 2023.
- Taiwan double-tax relief
- Disaster tax relief
- Enhancement of the low-income housing tax credit
- Increased threshold for information reporting on Forms 1099-NEC and 1099-MISC

The revenue cost of the plan would be offset by acceleration of the filing deadline for employee retention

credit (ERC) claims to January 31, 2024, extension of the statute of limitations on period of assessment and compliance changes.

Read a [section-by-section summary](#) [PDF 220 KB]

## KPMG observation

An agreement between Chairmen Smith and Wyden was the first hurdle to clear in enacting tax extenders. But several other hurdles lay ahead, and a final resolution of tax extenders may not come until a government funding bill is enacted in early March or even later.

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