No. 2024-426
November 4, 2024

KPMG article: Subchapter K changes as possible revenue raisers in addressing 2025 “Tax Cliff”

Many tax provisions will expire at the end of 2025 as a result of most individual tax provisions and some business provisions in the Tax Cuts and Jobs Act (TCJA) sunsetting (often referred to as the 2025 “Tax Cliff”). The Joint Committee on Taxation projects that extending the TCJA to avoid the 2025 Tax Cliff would increase deficits by about $4 trillion over 10 years. While the mix of revenue raisers, if any, that could be enacted to address the 2025 “Tax Cliff” is unknown, changes to the rules affecting the taxation of partnerships under subchapter K (particularly existing proposals) may be considered by lawmakers.

Read an October 2024 article* prepared by KPMG LLP that analyzes potential subchapter K changes and the likelihood that they will become law before some provisions of the TCJA expire.

* This article originally appeared in *Tax Notes Federal* (October 21, 2024) and is provided with permission.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.