



# TaxNewsFlash

United States

No. 2026-191  
August 19, 2026

## IRS updates FAQs regarding section 163(j) limitation on the deduction for business interest expense

The IRS today released updated frequently asked questions (FAQs) in [Fact Sheet 2026-14](#) regarding the limitation on the deduction for business interest expense under section 163(j).

The FAQs have been revised to:

- Address the 2017 “Tax Cuts and Jobs Act” (TCJA) and the “One Big Beautiful Bill Act” (OBBBA) amendments to the section 163(j) limitation.
- Delete Topic D CARES Act questions and answers that are no longer applicable.
- Re-designate Topic E as new Topic D and clarify that the term “change” in new Topic D denotes specific changes to statutory language not any change to the operative effect of the statute. That is, some changes to the statutory language made by the OBBBA merely clarified the operation of the existing statute. New Topic D has been revised to distinguish between substantive changes in law and clarifications of existing law.

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)