
HR 5771

Tax Increase Prevention Act of 2014

Congress: 113 (2013–2015, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Dec 1, 2014

Current Status: Became Public Law No: 113-295.

Latest Action: Became Public Law No: 113-295. (Dec 19, 2014)

Law: 113-295 (Enacted Dec 19, 2014)

Official Text: <https://www.congress.gov/bill/113th-congress/house-bill/5771>

Sponsor

Name: Rep. Camp, Dave [R-MI-4]

Party: Republican • **State:** MI • **Chamber:** House

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Budget Committee	House	Referred To	Dec 1, 2014
Education and Workforce Committee	House	Referred To	Dec 1, 2014
Ways and Means Committee	House	Referred To	Dec 1, 2014

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
113 HR 647	Related bill	Jan 2, 2015: LAID ON THE TABLE - Without objection, the Chair announced that H.R. 647 is laid on the table.
113 HCONRES 124	Related bill	Dec 17, 2014: Message on Senate action sent to the House.
113 HRES 766	Related bill	Dec 3, 2014: Motion to reconsider laid on the table Agreed to without objection.
113 HR 5773	Related bill	Dec 1, 2014: Referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
113 HR 5775	Related bill	Dec 1, 2014: Referred to the House Committee on Ways and Means.
113 HR 5528	Related bill	Sep 18, 2014: Referred to the House Committee on Ways and Means.
113 S 2261	Related bill	Apr 28, 2014: Placed on Senate Legislative Calendar under General Orders. Calendar No. 367.
113 HR 3958	Related bill	Feb 11, 2014: Referred to the Subcommittee on Health.
113 HR 3941	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3942	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3943	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3944	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3946	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3948	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3949	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3950	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 HR 3951	Related bill	Jan 28, 2014: Referred to the House Committee on Ways and Means.
113 S 1859	Related bill	Dec 20, 2013: Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 287.
113 S 1882	Related bill	Dec 20, 2013: Read twice and referred to the Committee on Finance.
113 HR 3751	Related bill	Dec 12, 2013: Referred to the House Committee on Ways and Means.
113 S 313	Related bill	Feb 13, 2013: Read twice and referred to the Committee on Finance.

(Although this measure has not been amended since it was passed by the House, the text was changed by H. Con. Res. 124, which made enrollment corrections, and the summary has been modified as necessary.)

Division A: Tax Increase Prevention Act of 2014 - Tax Increase Prevention Act of 2014 - Title I: Certain Expiring Provisions - Subtitle A: Individual Tax Extenders - (Sec. 101) Extends through 2014:

- the tax deduction of expenses of elementary and secondary school teachers;
- the tax exclusion of imputed income from the discharge of indebtedness for a principal residence;
- the equalization of the tax exclusion for employer-provided commuter transit and parking benefits;
- the tax deduction of mortgage insurance premiums;
- the tax deduction of state and local general sales taxes in lieu of state and local income taxes;
- the tax deduction of contributions of real property interests for conservation purposes;
- the tax deduction of qualified tuition and related expenses; and
- the tax exemption of distributions from individual retirement accounts for charitable purposes.

Subtitle B: Business Tax Extenders - (Sec. 111) Extends through 2014:

- the tax credit for increasing research activities;
- the low-income housing tax credit for newly-constructed non-federally subsidized buildings;
- the Indian employment tax credit;
- the new markets tax credit;
- the tax credit for qualified railroad track maintenance expenditures;
- the tax credit for mine rescue team training expenses;
- the tax credit for differential wage payments to employees who are members of the Uniformed Services;
- the work opportunity tax credit;
- authority for issuance of qualified zone academy bonds;
- the classification of race horses as three-year property for depreciation purposes;
- accelerated depreciation of qualified leasehold improvement, restaurant, and retail improvement property, of motorsports entertainment complexes, and of business property on Indian reservations;
- accelerated depreciation of certain business property (bonus depreciation) and the election to accelerate the alternative minimum tax (AMT) credit in lieu of bonus depreciation;
- the special rule allowing tax deductions of food inventory by non-corporate taxpayers;
- the increased expensing allowance for business assets, computer software, and qualified real property (i.e., leasehold improvement, restaurant, and retail improvement property);
- the election to expense advanced mine safety equipment expenditures;
- the expensing allowance for film and television production costs and the costs of live theatrical productions;
- the tax deduction for income attributable to domestic production activities in Puerto Rico;
- tax rules relating to payments between related foreign corporations and dividends of regulated investment companies (RICs);
- the tax treatment of RICs as qualified investment entities for purposes of the Foreign Investment in Real Property Tax Act (FIRPTA);
- the subpart F income exemption for income derived in the active conduct of a banking, financing, or insurance business;

the exemption from treatment as foreign holding company income of dividends, interest, rents, and royalties received or accrued from certain controlled foreign corporations by a related entity;

- the 100% exclusion from gross income of gain from the sale of small business stock;
- the basis adjustment rule for stock of an S corporation making charitable contributions of property;
- the reduction of the recognition period of the built-in gains of S corporations;
- the incentives for investment in empowerment zones;
- the increased level of distilled spirit excise tax payments into the treasuries of Puerto Rico and the Virgin Islands; and
- the tax credit for American Samoa economic development expenditures.

Amends the Housing Assistance Act of 2008 to extend through 2014 the exemption of the basic military housing allowance from the income test for programs financed by tax-exempt housing bonds.

Subtitle C: Energy Tax Expenditures - (Sec. 151) Extends through 2014:

- the tax credit for residential energy efficiency improvements;
- the tax credit for second generation biofuel production;
- the income and excise tax credits for biodiesel and renewable diesel fuel mixtures;
- the tax credit for producing electricity using Indian coal facilities placed in service before 2009;
- the tax credit for producing electricity using wind, biomass, geothermal, landfill gas, trash, hydropower, and marine and hydrokinetic renewable energy facilities;
- the tax credit for energy-efficient new homes;
- the special depreciation allowance for second generation biofuel plant property;
- the tax deduction for energy-efficient commercial buildings;
- tax deferral rules for sales or dispositions of qualified electric utilities;
- the excise tax credits for alternative fuels and fuels involving liquefied hydrogen; and
- the tax credit for alternative fuel vehicle refueling property.

Subtitle D: Extenders Relating to Multiemployer Defined Benefit Pension Plans - (Sec. 171) Extends through 2015 the automatic extension of amortization periods for multiemployer defined benefit pension plans.

(Sec. 172) Amends the Pension Protection Act of 2006 to extend through 2015 multiemployer pension plan rules relating to funding improvement and rehabilitation plans.

Title II: Technical Corrections - Tax Technical Corrections Act of 2014 - (Sec. 202) Amends the Internal Revenue Code, as amended by the American Taxpayer Relief Act of 2012, to: (1) make a conforming amendment to the computation of the foreign earned income tax exclusion, and (2) confirm that the alternative minimum tax (AMT) exemption amount for married individuals filing separate tax returns is one-half the exemption amount for married individuals filing a joint return.

(Sec. 203) Amends the Middle Class Tax Relief and Job Creation Act of 2012 to correct a reference to the repeal of shifts in the timing of estimated corporate taxes in the Corporate Estimated Tax Shift Act of 2009.

(Sec. 204) Amends the Internal Revenue Code to exclude any aircraft that is a rotorcraft or propeller aircraft from the definition of "jet aircraft" for purposes of the excise tax exemption for transportation by aircraft.

(Sec. 205) Amends the Regulated Investment Company Modernization Act of 2010 to: (1) allow a regulated investment

company (RIC) to delay the capital loss carryover provisions of such Act for one year for purposes of the excise tax on undistributed RIC income, (2) exclude from an RIC earnings and profit calculation such loss carryover amounts, (3) modify the required date for a declaration of an RIC spillover dividend, (4) modify rules for the treatment of post-October net capital losses, and (5) allow a deferral of certain gains and losses of an RIC for excise tax purposes.

(Sec. 206) Amends the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 to confirm that the phase-out thresholds for married couples filing joint tax returns are increased and adjusted for inflation for all taxable years after 2009 (not just taxable years beginning in 2010).

(Sec. 207) Amends the Creating Small Business Jobs Act of 2010 to provide that amendments to provisions imposing penalties for failure to furnish correct taxpayer information in that Act apply on or after January 1, 2011.

(Sec. 208) Makes a clerical amendment to Hiring Incentives To Restore Employment Act.

(Sec. 209) Amends the American Recovery and Reinvestment Act of 2009 to: (1) modify provisions relating to the refundability of the child tax credit in taxable years beginning after 2008 and before 2018 to provide that, to the extent the credit exceeds the taxpayer's liability, the refundable portion will be equal to 15% of the earned income in excess of \$3,000 (not \$10,000 indexed for inflation); (2) limit the tax credit for tuition, fees, and course materials to the Hope Scholarship tax credit; (3) provide that grants in lieu of energy tax credits are not includible in alternative minimum tax (AMT) taxable income; and (4) make technical amendments to the tax credits for vehicle refueling property expenditures and the advance energy project tax credit.

(Sec. 210) Amends the Internal Revenue Code, as amended by the Energy Improvement and Extension Act of 2008, to confirm that: (1) coke and coke gas produced using fuel qualifying for a steel industry fuel credit are not eligible for the tax credit for producing fuel from a nonconventional source; and (2) accelerated depreciation provisions for smart meters and smart grid systems do not apply to property with a recovery period of less than 16 years. Limits the availability of bonus depreciation for reuse and recycling property.

(Sec. 211) Amends the Tax Extenders and Alternative Minimum Tax Relief Act of 2008, with respect to withholding requirements applicable to an RIC under the Foreign Investment in Real Property Tax Act (FIRPTA), to: (1) exempt distributions made on or before October 4, 2008, from withholding requirements under such Act; and (2) exempt RICs from liability to a foreign shareholder for amounts withheld by the IRS.

(Sec. 212) Makes a clerical amendment to the Housing Assistance Tax Act of 2008.

(Sec. 213) Amends the Heroes Earnings Assistance and Relief Tax Act of 2008 to provide that the enactment date of such Act (i.e., June 18, 2008) shall apply for determining the limitation period during which retired pay for members of the Uniformed Services is reduced as a result of the award of disability compensation.

Makes a technical amendment to the Internal Revenue Code to confirm that a flexible spending account does not fail to be treated as a cafeteria plan or a health flexible spending account merely because the plan provides for qualified reservist distributions.

(Sec. 214) Amends the Internal Revenue Code, as amended by the Economic Stimulus Act of 2008, to provide that Internal Revenue Service (IRS) summary assessment procedures shall apply in the case of an omission of a correct valid identification number on a return.

(Sec. 215) Amends the Internal Revenue Code, with respect to the tax exclusion of income earned by U.S. citizens or

residents living abroad, to reinstate a provision requiring the netting of disallowed tax deductions against excluded income.

(Sec. 216) Amends the Internal Revenue Code, as amended by the Tax Relief and Health Care Act of 2006, to coordinate the tax treatment of wages eligible for the Indian employment tax credit with the work opportunity tax credit.

(Sec. 217) Amends the Internal Revenue Code, as amended by the Safe, Accountable, Flexible, Efficient Transportation Equity Act of 2005: A Legacy for Users, to confirm that revenues for the excise tax on aviation fuel and gasoline credited to the Airport and Airways Trust Fund are not similarly credited to the Highway Trust Fund.

(Sec. 218) Amends the Internal Revenue Code, as amended by the Energy Tax Incentives Act of 2005, to provide that the basis of any property eligible for the tax credit for alternative fuel vehicle refueling property expenditures shall be reduced by the amount allowed for such credit.

(Sec. 219) Amends the American Jobs Creation Act of 2004 to require that the computation of the tax exclusion for extraterritorial income be made without regard to the tax deduction for income attributable to domestic production activities. Extends the authority of the Secretary of the Treasury to make adjustments to wages eligible for such deduction in short taxable years.

(Sec. 221) Eliminates provisions in the Internal Revenue Code that are not used in computing current tax liabilities (referred to as deadwood provisions). Provides for a savings provision to prevent the repeal of such deadwood provisions from affecting the tax treatment of transactions, acquisitions of property, or items of income, loss, deduction, or credit occurring or accruing prior to the enactment of this Act.

Title III: Joint Committee on Taxation - (Sec. 301) Provides that any refund or credit in excess of \$5 million due to a C corporation taxpayer may not be made until the Secretary of the Treasury submits a report to the Joint Committee on Taxation providing information on such refund or credit.

Title IV: Budgetary Effects - Prohibits the entry of the budgetary effects of this Act on certain PAYGO scorecards.

Division B: Achieving A Better Life Experience Act of 2014 - Stephen Beck, Jr., Achieving a Better Life Experience Act of 2014 or the Stephen Beck, Jr., ABLE Act of 2014 - **Title I: Qualified ABLE Programs** - (Sec. 101) States as the purposes of this title to: (1) encourage and assist individuals and families in saving private funds for the purpose of supporting individuals with disabilities to maintain their health, independence, and quality of life; and (2) provide secure funding for disability-related expenses of beneficiaries with disabilities that will supplement, but not supplant, benefits provided through private insurance, title XVI (Supplemental Security Income) and title XIX (Medicaid) of the Social Security Act, the beneficiary's employment, and other sources.

(Sec. 102) Amends the Internal Revenue Code to exempt from taxation a qualified ABLE program established and maintained by a state, or by an agency or instrumentality of the state, to pay the qualified disability expenses related to the blindness or disability of a program beneficiary, including expenses for education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, and funeral and burial expenses.

Requires officers and employees who have control of the qualified ABLE program to make reports as required by the Secretary of the Treasury. Imposes an additional 10% tax on individuals who do not use distributions from an ABLE

account for disability expenses. Subjects ABLE accounts to the penalty tax for excess contributions and for failure to file required reports.

(Sec. 103) Requires amounts in ABLE accounts to be disregarded in determining eligibility for means-tested federal programs, except distributions for housing expenses under the supplemental security income program and for amounts in an ABLE account exceeding \$100,000. Suspends the payment of supplemental security income benefits to an individual during any period in which such individual has excess resources in an ABLE account, but does not suspend or affect the Medicaid eligibility of such individual.

(Sec. 104) Amends the federal bankruptcy code to exclude funds placed in an account of a qualified ABLE program from a bankruptcy estate, but only if: (1) the designated beneficiary of such account was a child, stepchild, grandchild, or step grandchild of the debtor; (2) such funds are not pledged or promised to any entity in connection with any extension of credit and are not excess contributions to an ABLE account; and (3) such funds do not exceed \$6,225 during a specified time period.

(Sec. 105) Amends the Internal Revenue Code to permit contributors to or beneficiaries of a qualified tuition program (529 program) to direct the investment of contributions to a 529 program (or any earnings thereon) up to two times in any calendar year (currently, no investment direction is allowed).

Title II: Offsets- (Sec. 201) Amends title II (Old Age, Survivors, and Disability Insurance Benefits) of the Social Security Act to change the age at which disability benefits are no longer subject to reductions from 65 to the normal retirement age range as set forth in such Act.

(Sec. 202) Amends title XVIII (Medicare) of the Social Security Act to: (1) accelerate the beginning date for adjustments of relative value targets for misvalued services in Medicare physician fee schedules from 2017 to 2016; and (2) treat items and services for vacuum erection systems furnished on and after July 1, 2015, in the same manner as erectile dysfunction drugs for purposes of defining covered drugs under Medicare part D.

(Sec. 204) Amends the American Taxpayer Relief Act of 2012 to delay to January 1, 2025, the implementation of oral-only end stage renal disease (ESRD)-related drugs in the ESRD prospective payment system.

(Sec. 205) Amends the Internal Revenue Code to increase the Inland Waterways Trust Fund financing rate to 29 cents per gallon for fuel used after March 31, 2015.

(Sec. 206) Amends the Internal Revenue Code to treat Internal Revenue Service (IRS)-certified professional employer organizations (PEOs) as employers for employment tax purposes (thus allowing such PEOs to pay wages and collect and remit payroll taxes on behalf of an employer).

Sets forth IRS certification requirements for PEOs, including independent financial review and reporting requirements. Requires a PEO, each year, to post a bond equal to the greater of 5% of the PEO's liability during the preceding calendar year (not exceeding \$1 million) or \$50,000.

(Sec. 207) Amends the Internal Revenue Code to exclude dividends received by a U.S. shareholder from a controlled foreign corporation from the definition of "personal holding company income" for purposes of personal holding company taxation.

(Sec. 208) Amends the Internal Revenue Code to require an annual inflation adjustment to tax penalty amounts for: (1) failure to file a tax return or pay tax, (2) failure to file certain information returns or registration statements, (3)

noncompliance of tax return preparers, (4) failure to file partnership or S corporation returns, and (5) failure to file correct information returns or correct payee statements.

(Sec. 209) Amends the Internal Revenue Code to increase from 15% to 30% the rate of the continuous levy on payments due to a Medicare provider or supplier for overdue taxes.

Actions Timeline

- **Dec 19, 2014:** Signed by President.
- **Dec 19, 2014:** Became Public Law No: 113-295.
- **Dec 18, 2014:** Presented to President.
- **Dec 17, 2014:** Message on Senate action sent to the House.
- **Dec 16, 2014:** Motion to proceed to measure considered in Senate.
- **Dec 16, 2014:** Measure laid before Senate by unanimous consent. (consideration: CR S6898-6903)
- **Dec 16, 2014:** Passed/agreed to in Senate: Passed Senate, under the order of 12/16/14, having achieved 60 votes in the affirmative, without amendment by Yea-Nay Vote. 76 - 16. Record Vote Number: 364.
- **Dec 16, 2014:** Passed Senate, under the order of 12/16/14, having achieved 60 votes in the affirmative, without amendment by Yea-Nay Vote. 76 - 16. Record Vote Number: 364.
- **Dec 16, 2014:** Pursuant to the provisions of H. Con. Res. 124, enrollment corrections on H.R. 5771 have been made.
- **Dec 15, 2014:** Motion to proceed to consideration of measure made in Senate. (consideration: CR S6823; text: CR S6823)
- **Dec 9, 2014:** Read the second time. Placed on Senate Legislative Calendar under General Orders. Calendar No. 627.
- **Dec 8, 2014:** Received in the Senate. Read the first time. Placed on Senate Legislative Calendar under Read the First Time.
- **Dec 3, 2014:** Considered under the provisions of rule H. Res. 766. (consideration: CR H8323-8343)
- **Dec 3, 2014:** The rule provides for a closed rule for H.R. 5771 and H.R. 647.
- **Dec 3, 2014:** DEBATE - The House proceeded with one hour of debate on H.R. 5771.
- **Dec 3, 2014:** The previous question was ordered pursuant to the rule. (consideration: CR H8340)
- **Dec 3, 2014:** Mr. Neal moved to recommit with instructions to the Committee on Ways and Means. (consideration: CR H8340-8342; text: CR H8341)
- **Dec 3, 2014:** DEBATE - The House proceeded with 10 minutes of debate on the Neal motion to recommit with instructions, pending reservation of a point order. The instructions contained in the motion seek to report the same back to the House forthwith with an amendment to deny any "inverted" corporations that change their residence from the United States in order to avoid paying U.S. taxes from receiving the tax benefits made available in the underlying legislation. Subsequently, the reservation of a point of order was withdrawn.
- **Dec 3, 2014:** The previous question on the motion to recommit with instructions was ordered without objection. (consideration: CR H8342)
- **Dec 3, 2014:** On motion to recommit with instructions Failed by the Yeas and Nays: 197 - 223 (Roll no. 543). (consideration: CR H8342-8344)
- **Dec 3, 2014:** Passed/agreed to in House: On passage Passed by recorded vote: 378 - 46 (Roll no. 544).(text: CR H8323-8335)
- **Dec 3, 2014:** On passage Passed by recorded vote: 378 - 46 (Roll no. 544). (text: CR H8323-8335)
- **Dec 3, 2014:** Motion to reconsider laid on the table Agreed to without objection.
- **Dec 2, 2014:** Rules Committee Resolution H. Res. 766 Reported to House. The rule provides for a closed rule for H.R. 5771 and H.R. 647.
- **Dec 1, 2014:** Introduced in House
- **Dec 1, 2014:** Referred to the Committee on Ways and Means, and in addition to the Committees on Education and the Workforce, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.