



TaxScriptions

"A Prescription For Tax Relief"



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Phone: (508) 926-2400
 Fax: (508) 616-2914
info@rosencpagroup.com

Affiliated Companies



Phone: (508) 475-3830
 Fax: (508) 475 3930
info@morrrds.com



Phone: (508) 475-3880
 Fax: (508) 616-4431
info@ccrwealth.com



RETIREMENT PLANNING GROUP, LLP

Phone: (508) 926-2400
 Fax: (508) 616-2914
info@rpqllp.com

President signs into law Consolidated Appropriations and Tax Extender Bills Affecting Wide Range of Tax Provisions

On December 18, Congress passed and the President signed into law the "Consolidated Appropriations Act, 2016" and the "Protecting Americans From Tax Hikes (PATH) Act of 2015", funding the government and providing a number of significant tax changes.

The PATH Act retroactively extends the 50 or so tax payer -favorable tax "extenders" - temporary tax provisions that are routinely extended by Congress on a one or two year basis, that has been one-or two year basis; that had been expired since the end of 2014. It made permanent more than a dozen individual and business extenders.

Please find below a listing of some of the tax provisions that were affected (for more information click on the links):

Tax Relief for Families and Individuals

- Enhanced child tax credit made permanent
- Enhanced American opportunity tax credit made permanent
- Enhanced earned income tax credit made permanent

- Extension and modification of deduction for certain expenses of elementary and secondary school teachers
- Extension of parity for exclusion from income for employer-provided mass transit and parking benefits

Incentives for Charitable Giving

- Extension and modification of special rule for contributions of capital gain real property made for conservation purposes
- Extension of tax-free distributions from individual retirement plans for charitable purposes

Incentives for Growth, Jobs, Investment, and Innovation

- Extension of 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements
- Extension and modification of increased expensing limitations and treatment of certain real property as section 179 property
- Extension of reduction in S-corporation recognition period for built-in gains tax

Extensions through 2019

- Extension and modification of bonus depreciation

Extensions through 2016

- Extension and modification of exclusion from gross income of discharge of qualified principal residence indebtedness
- Extension of mortgage insurance premiums treated as qualified residence interest

Family Tax Relief

- Improvements to section 529 accounts