

26-Jan-11

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Economic Recovery Tax Act of 1981	Tax Equity and Fiscal Responsibility Act of 1982	Deficit Reduction Act of 1984	Tax Reform Act of 1986
Tax Rates	Reduced marginal tax rates by 23% over 3 years; reduced maximum estate tax rate from 70% to 50% over 4 years		Postponed scheduled reduction in maximum estate tax rate, holding maximum rate at 55%	Lowered top marginal tax rate to 28%
Tax Brackets	Indexed income brackets			
Deductions	New deduction for two-earner married couples; permitted unlimited marital deduction for estate and gift tax			Increased standard deduction to \$5,000 for married filers and personal exemption to \$2,000; repealed two-earned deduction and state and local sales tax deduction; limited consumer interest deduction, deductibility of "passive" losses, medical expenses deductions, deduction for business meals and entertainment, and miscellaneous expense deduction; phased in deductibility of health insurance costs of self-employed individuals
Exclusions				Repealed exclusion of unemployment benefits

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Economic Recovery Tax Act of 1981	Tax Equity and Fiscal Responsibility Act of 1982	Deficit Reduction Act of 1984	Tax Reform Act of 1986
AMT	Reduced top rate to 20%	Increased exemption to \$40,000 for joint filers and \$30,000 for single filers; increased tax rate to 20% for all income levels		increased tax rate to 21%; introduced exemption phase-out
IRAs / Pension	Extended eligibility for IRAs to include active participants in employer pension plans; increased Keogh annual contribution limit to \$15,000			Limited IRA eligibility and pension contributions
Tax Credits	Increased estate tax credit to exempt all estates of \$600,000 or less		Increased EITC	Increased EITC; extended research and experimentation credit; created new low-income housing tax credit; repealed the investment tax credit

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Economic Recovery Tax Act of 1981	Tax Equity and Fiscal Responsibility Act of 1982	Deficit Reduction Act of 1984	Tax Reform Act of 1986
Business (Expensing, Depreciation)	Replaced facts and circumstances and the Asset Depreciation Range guidelines with Accelerated Cost Recover System; provided faster write-off of capital expenditures; allowed most equipment to be written off over 5 years and most structures over 15 years; allowed liberalized "safe-harbor" leasing rules			Lengthened capital cost recovery; reduced top corporate marginal tax rate to 34%; tightened corporate minimum tax
Capital Gains, Dividends	Reduced maximum capital gains rate to 20%		Reduced long-term capital gains holding period from 1 year to 6 months	Repealed long-term capital gains exclusion
Tax Compliance/Penalties		Expanded information reporting; increased penalties on non-compliance		
Pease, PEP				

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Economic Recovery Tax Act of 1981	Tax Equity and Fiscal Responsibility Act of 1982	Deficit Reduction Act of 1984	Tax Reform Act of 1986
Estate, Gift and Transfer Taxes	Permitted unlimited marital deduction; increased estate credit to exempt from tax all estates of \$600,000 or less; and reduced maximum estate tax rate from 70 to 50 percent over a four-year period (1982 to 1985).		Set maximum estate tax rate at 55 percent	Imposed higher estate or gift tax rate on transfers in excess of \$10 million in order to phase out the benefit of the graduated rates under 55 percent and the benefit of the unified credit.
Other		Increased airport and airway trust fund taxes; cigarette excise taxes; and telephone excise tax; increased federal unemployment tax rate and base	Increased distilled spirits excise tax and extended telephone excise tax; placed state volume limitation on private purpose tax exempt bonds	Further tightened state volume limitations for private purpose tax-exempt bonds

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.

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SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Omnibus Budget Reconciliation Act of 1987	Omnibus Budget Reconciliation Act of 1989	Omnibus Budget Reconciliation Act of 1990	Omnibus Budget Reconciliation Act of 1993
Tax Rates			Increased top statutory rate from 28% to 31%	Imposed new higher tax rates of 36% and 39.6%
Tax Brackets				
Deductions	Limited mortgage interest deduction to debt less than \$1 million and home equity loans of less than \$100,000		Created a 25% health insurance deduction for the self-employed	Reduced business meals and entertainment deduction
Exclusions			Created exclusions for employer-provided legal and educational assistance	

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Omnibus Budget Reconciliation Act of 1987	Omnibus Budget Reconciliation Act of 1989	Omnibus Budget Reconciliation Act of 1990	Omnibus Budget Reconciliation Act of 1993
AMT		Modified the corporate AMT	Increased the individual AMT rate from 21% to 24%; reduced AMT preference treatment of energy items	Increased tax rates and exemption amounts under AMT
IRAs / Pension		Limited tax deductions and exclusions for employee stock ownership plans		Expanded the taxable portion of Social Security benefits from 50% to 85% when modified AGI goes above \$44,000 (joint) or \$34,000 (single)
Tax Credits	Extended 55% maximum estate tax rate	Extended research and experimentation tax credit and allocation rules; extended low income housing credit	Adjusted EITC benefit levels and phase-in and phase-out rates for family size; created a low-income credit for the premium costs of health insurance; extended tax credits for research, business energy, and targeted jobs; extended non-conventional fuels credit; created new credit for ethanol production and oil recovery costs; created small-business oriented credit for accommodations for disabled persons	Extended EITC to single workers with no children earning \$9,000 or less

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Omnibus Budget Reconciliation Act of 1987	Omnibus Budget Reconciliation Act of 1989	Omnibus Budget Reconciliation Act of 1990	Omnibus Budget Reconciliation Act of 1993
Business (Expensing, Depreciation)	Reduced inter-corporate dividends received deduction; limited employer deductible contributions to defined benefit pension plans			Increased corporate tax rate to 35% on income above \$10 million
Capital Gains, Dividends			Capped the capital gains rate at 28%	
Tax Compliance/Penalties				
Pease, PEP			Limited itemized deductions for taxpayers with AGI over \$100,000; phased out personal exemptions for taxpayers with AGI-between \$150,000 and \$275,000 for joint filers (\$100,000 and \$225,000 for single filers).	Extend the itemized deduction limitation and the personal exemption phaseout

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Omnibus Budget Reconciliation Act of 1987	Omnibus Budget Reconciliation Act of 1989	Omnibus Budget Reconciliation Act of 1990	Omnibus Budget Reconciliation Act of 1993
Estate, Gift and Transfer Taxes	Extended until 1992 the top marginal rate of 55 percent. Repealed existing generation-skipping transfer tax retroactive to June 11, 1976, with a flat rate tax set at the highest estate tax rate, currently 55 percent.	Amended gift tax to allow the \$100,000 exclusion for transfers to a noncitizen spouse only if the transfer would qualify for the marital deduction if the spouse were a citizen of the United States		Extended the top marginal rate of 55 percent effective retroactively to December 31, 1992.
Other	and enactment of a new system to tax such transfers	Increased fees and excise taxes on air travel, ozone-depleting chemicals, and oil spill liability; repealed completed contract method of accounting	Imposed new excise taxes on autos, boats, airplanes, and furs; increased motor fuels taxes; increased taxes on tobacco and alcoholic beverages; extended and increased Airport and Airway trust fund taxes	

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.

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SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Taxpayer Relief Act of 1997	Economic Growth and Tax Relief Reconciliation Act of 2001	Job Creation and Worker Assistance Act of 2002	Jobs and Growth Tax Relief Reconciliation Act of 2003
Tax Rates		Reduced the 28%, 31%, 36%, and 39.6% tax brackets by about one percentage point annually to 25%, 28%, 33%, and 35% respectively		Accelerated Individual income tax rate reductions scheduled to begin in 2006 under EGTRRA to begin in 2003
Tax Brackets		Created a new 10% rate on the first \$12,000 of income for a married couple (\$10,000 for HOH, \$6,000 for individual), increasing to \$14,000 from 2008 for joint filers and \$7,000 for single filers		Revised the expansion of the 10% bracket to \$14,000 through 2004 and \$12,000 for 2005 to 2007 for joint filers
Deductions		Increased the standard deduction for joint filers (will be double that for single filer by 2009); limited tax deduction until 12/31/05 for qualified higher education expenses		Accelerated increase in the standard deduction for joint filers from EGTRRA to begin in 2003 rather than gradually to 2009
Exclusions		Permanently extended exclusion of employer provided education assistance; excluded any fringe benefit for qualified retirement planning service		

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Taxpayer Relief Act of 1997	Economic Growth and Tax Relief Reconciliation Act of 2001	Job Creation and Worker Assistance Act of 2002	Jobs and Growth Tax Relief Reconciliation Act of 2003
AMT	Repealed the AMT for small business; modified the depreciation adjustment used in AMT calculation; repealed the AMT installment method adjustment for farmers	Increased exemption by \$4,000 for married couples filing jointly and surviving spouses and by \$2,000 for other filing categories (to \$35,750 and \$49,000)		Increased exemption to \$58,000 (married filing jointly and surviving spouses) and \$40,250 (all others) for 2003 and 2004
IRAs / Pension	Extended AGI phaseouts for deductible IRAs; allowed tax-free withdrawals from first-time home purchases; created new Roth and Education IRAs	Annual dollar contribution limit raised to \$3,000 for 2002-2004, \$4,000 for 2005-2007, and \$5,000 for 2008 and thereafter; annual contribution limits for 401(k)s increased to \$15,000 over four years; increased from \$500 to \$2,000 annual limitation on contributions to Education IRAs		
Tax Credits	Introduced a \$500 per year child tax credit; introduced Hope and Lifetime Learning nonrefundable education credits; increased the unified estate tax credit from \$600,000 to \$1 million by 2006	Child tax credit increased to \$1,000 (portion refundable), applicable to regular income and AMT; extended permanently the adoption credit for children other than special needs children, and allowance of credit against the AMT; established an employer-provided child care credit; increased the phase out of the EITC on joint returns by \$1,000 for 2002-2004, \$2,000 for 2005-2007; \$3,000 for 2007 and after; repealed reduction of the EITC by the amount of an individual's AMT	Expanded the work opportunity tax credit to include certain NY Liberty Zone business employees (against both regular and alternative minimum tax); extended credit for qualified electric vehicles, work opportunity credit, welfare-to-work credit, etc.; extended allowance of nonrefundable personal credits against regular and minimum tax liability	Accelerated EGTRRA increase in the child tax credit to \$1,000 scheduled for 2005 to include 2003 and 2004

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Taxpayer Relief Act of 1997	Economic Growth and Tax Relief Reconciliation Act of 2001	Job Creation and Worker Assistance Act of 2002	Jobs and Growth Tax Relief Reconciliation Act of 2003
Business (Expensing, Depreciation)			Allowed an additional first year 30% depreciation allowance for property acquired between 9/10/01 and 9/11/04 for both regular tax and AMT purposes; extended the net operating loss carryback period from 2 to 5 years for such business losses between those same dates	Increased bonus depreciation or expensing for property acquired in 2001-2004 under EGTRRA from 30% to 50% (reverting to original after 2005)
Capital Gains, Dividends	Reduced capital gains tax rates from 28% and 15% to 20% and 10% respectively			Reduced (for regular income tax and AMT) the 10% and 20% rate of taxation on adjusted net capital gains and dividends to 5% and 15% respectively beginning after 5/6/03
Tax Compliance/Penalties				
Pease, PEP		Phased down the limitation on itemized deductions and the personal exemption phaseout in stages between 2006 and 2009 and repealed both provisions for 2010.		

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Taxpayer Relief Act of 1997	Economic Growth and Tax Relief Reconciliation Act of 2001	Job Creation and Worker Assistance Act of 2002	Jobs and Growth Tax Relief Reconciliation Act of 2003
Estate, Gift and Transfer Taxes	Boosted unified credit in stages from \$600,000 per person in 1998 to \$1 million in 2006 and subsequent years. Also indexed other estate and gift tax parameters, including the \$10,000 annual gift exclusion, to inflation after 1998.	Increased unified credit to exempt \$3.5 million and reduced top tax rate to 45% in stages between 2002 and 2009; replaced credit for state estate taxes with deduction in stages over four years; repealed the estate tax entirely and reduced gift tax rate to 35% for 2010. Estate and gift taxes return to pre-2001 law after 2010.		
Other	Indexed estate and gift tax parameters to inflation	Gradually reduced the estate and gift tax from 55% to 45% by 2007; increased estate and gift tax exemption from \$1 million in 2002 to \$3.5 million in 2009; repealed estate and generation-skipping transfer taxes (effective January 1, 2010)	Allowed for temporary extended unemployment compensation to extend up to an additional 13 weeks; allowed use of electronic 1099 forms; reauthorized TANF supplemental grants; and granted a 1-year extension of TANF contingency fund	Granted \$10 billion in temporary state fiscal relief for Medicaid assistance through 9/30/04

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.

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SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Working Families Tax Relief Act of 2004	American Jobs Creation Act of 2004	Tax Increase Prevention and Reconciliation Act of 2005	Katrina Emergency Tax Relief Act of 2005
Tax Rates				
Tax Brackets	Extended the doubled 15% bracket for joint filers and the 10% bracket			
Deductions	Extended standard deduction increase for married taxpayers through 2009			Suspended limits on individual and corporate deductions for 2005 cash donations to Katrina relief efforts; expanded the deduction for donated food inventory and educational books in 2005; suspended limitations on deductions of casualty and theft losses for Katrina-related losses; created an additional \$500 personal exemption for individuals housing Katrina victims in 2005 or 2006
Exclusions		Repealed the exclusion for extraterritorial income; allowed transitional relief for taxpayers subject to the repeal by allowing an exclusion of 80% of extraterritorial income in 2005 and 60% in 2006	Extended certain exemptions for income of controlled foreign corporations through 2008; accelerated adjustment of foreign earned income exemption for inflation from 2008 to 2006	Excluded discharges of debt for Katrina victims

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Working Families Tax Relief Act of 2004	American Jobs Creation Act of 2004	Tax Increase Prevention and Reconciliation Act of 2005	Katrina Emergency Tax Relief Act of 2005
AMT	Extended exemption through 2005		Increased exemption to \$42,500 for single filers and \$62,550 for married filers through 2006	
IRAs / Pension			Allowed taxpayers to convert traditional IRA balances into Roth IRAs; eliminated the income limit (\$100,000) on Roth IRA conversions starting in 2010	Exempted from the early distribution penalty withdrawals of up to \$100,000 from retirement plans through 2006 for Katrina victims; allowed rollover contributions of distributions made for the purchase of a home not purchased due to Katrina
Tax Credits	Extended child tax credit for 2005 through 2009 (repealed scheduled reductions); increased refundability of the child tax credit from 10% to 15%; extended credit for increasing research activities, work opportunity tax credit, welfare-to-work tax credit	Allowed companies to carry foreign tax credits forward for 10 years (increased from 5); created business tax credit for biodiesel used as fuel in trade or business; extended through 2010 tax credit for alcohol used as fuel		Extended the work opportunity tax credit to "Hurricane Katrina employees"; created an employee retention credit; allowed displaced individuals to use 2004 income to calculate EITC and refundable child tax credit

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Working Families Tax Relief Act of 2004	American Jobs Creation Act of 2004	Tax Increase Prevention and Reconciliation Act of 2005	Katrina Emergency Tax Relief Act of 2005
Business (Expensing, Depreciation)		Extended the expensing of small business assets up to \$100,000 for two additional years; allowed a 15 year recovery period for depreciation of certain leasehold improvements; created a 9% deduction for domestic production activities; created a temporary holiday for dividend reparation	Increased estimated tax payments for corporations with assets of at least \$1 billion for third quarters of 2006, 2012, 2013; delayed the payment date of certain corporate estimated taxes in September 2010 and 2011	
Capital Gains, Dividends			Extended the reductions in capital gains and dividends tax rates enacted by JGTRRA through 2010; subjected the sale or exchange of a musical composition or copyright to capital gains treatment (through 12/31/10)	
Tax Compliance/Penalties		Created penalties for failure to disclose certain tax shelters and for promoters of abusive tax shelters	Imposed an excise tax penalty on certain tax-exempt entities for participation in prohibited tax shelter activities	
Pease, PEP				

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Working Families Tax Relief Act of 2004	American Jobs Creation Act of 2004	Tax Increase Prevention and Reconciliation Act of 2005	Katrina Emergency Tax Relief Act of 2005
Estate, Gift and Transfer Taxes				
Other	Excluded the additional tax on distributions from Health Savings Accounts not used to qualify for medical expenses in the definition of regular tax liability	Created a \$10 billion tobacco quota-holders buyout; included a series of tax breaks to narrow interests (deductions for whaling, more generous tax treatment of sonar fishing devices)	Repealed the binding contract exemption from the repeal of the tax exclusion for extraterritorial income	

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.

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SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Gulf Opportunity Zone Act of 2005	Pension Protection Act of 2006	Tax Relief and Health Care Act of 2006	Mortgage Forgiveness Debt Relief Act of 2007
Tax Rates				
Tax Brackets				
Deductions	Extended special treatment of charitable contributions to donations for Rita and Wilma relief efforts; extended suspension of limitation on casualty and theft loss deductions to Rita- and Wilma-related losses		Extended through 2007 the allowance of sales tax deduction in lieu of deduction for state and local income tax, the deduction for teachers for school related expenses, the deduction for qualified tuition expenses, and the enhanced deduction for computer technology; allowed a deduction for certain energy efficient commercial building property through 2008	
Exclusions		Permanently extended EGTRRA modifications to qualified tuition program rules including tax-exempt withdrawals from qualified tuition accounts		Excluded debt forgiven on a principal residence from taxable income through 2009

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Gulf Opportunity Zone Act of 2005	Pension Protection Act of 2006	Tax Relief and Health Care Act of 2006	Mortgage Forgiveness Debt Relief Act of 2007
AMT			Allowed refundable long-term individual AMT credit with respect to certain long-term unused AMT credits existing before 1/1/13	
IRAs / Pension	Extended special retirement fund rules to victims of Rita and Wilma	Made permanent certain EGTRRA provisions, including increases in annual contribution limits for IRAs and 401(k)s	Allowed one-time direct contribution to an HSA from an IRA	
Tax Credits	Extended the employee retention credit to employers in Rita- and Wilma-affected areas; modified the low-income housing tax credit; expanded the New Markets Tax Credit; temporarily increased the Hope Scholarship and Lifetime Learning Credits for students in the GO Zone; extended the use of 2004 income to calculate EITC and refundable child tax credit to individuals displaced by Rita and Wilma	Extended certain rules regarding coordination of Hope and Lifetime Learning Credit provisions from EGTRRA	Extended and modified new markets tax credit through 2008; extended and modified research tax credit through 2007; extended work opportunity tax credit and welfare-to-work tax credit for 2006 and combined and modified these for 2007; extended election to include combat pay in earned income for EITC; allowed credit for electricity produced from certain renewable resources through 2008	

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Gulf Opportunity Zone Act of 2005	Pension Protection Act of 2006	Tax Relief and Health Care Act of 2006	Mortgage Forgiveness Debt Relief Act of 2007
Business (Expensing, Depreciation)	For businesses in the GO Zone, allowed an additional first-year depreciation deduction; increased the maximum placed-in-service deduction; extended a provision for the expensing of environmental remediation costs; increased the expensing limit for timber growers; extended the net operating loss carryback period; and allowed an exclusion for housing provided to displaced employees.		Extended accelerated depreciation for business property on Indian reservations; extended 15-year straight-line cost recovery for qualified leasehold and restaurant improvements; extended certain tax incentives for D.C. Zones and Gulf Opportunity Zones, provided manufacturing deduction for production activities in Puerto Rico	
Capital Gains, Dividends				
Tax Compliance/Penalties				
Pease, PEP				

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Gulf Opportunity Zone Act of 2005	Pension Protection Act of 2006	Tax Relief and Health Care Act of 2006	Mortgage Forgiveness Debt Relief Act of 2007
<p>Estate, Gift and Transfer Taxes</p>				
<p>Other</p>	<p>Allowed affected states to issue GO Zone bonds for property renovation; permitted additional advance refunding for certain bonds</p>	<p>Established new minimum financing standards for single-employers and multiemployer defined benefit pension plans; increased the deduction limits for single-employers and multiemployer plans</p>	<p>Allowed a one-time rollover of HRA and health FSA funds into HSAs through 2011; repealed provision that limited the maximum deductible contribution to an HSA to that of a high-deductible insurance policy</p>	

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.

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SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Tax Increase Prevention Act of 2007	Economic Stimulus Act of 2008	Housing Assistance Tax Act of 2008	Emergency Economic Stabilization Act of 2008
Tax Rates				
Tax Brackets				
Deductions			Allowed non-itemizing homeowners to deduct up to \$500 (\$1,000 for joint filers) of property taxes paid during 2008	Extended through 2009 the property tax deduction for non-itemizers, the deduction for state and local sales taxes in lieu of state and local income taxes, the deduction for qualified tuition expenses, and the deduction for expenses of school teachers
Exclusions				Extended the exclusion of debt forgiven on a principle residence from taxable income through 2012

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Tax Increase Prevention Act of 2007	Economic Stimulus Act of 2008	Housing Assistance Tax Act of 2008	Emergency Economic Stabilization Act of 2008
AMT	Increased exemption to \$44,350 for single filers; \$66,250 for married joint filers for 2007		Excluded tax-exempt interest on certain housing bonds from being a preference item	Increased exemption to \$46,200 for single filers; \$69,950 for married joint filers for 2008
IRAs / Pension				
Tax Credits			Allowed a refundable credit for first-time homebuyers; increased and simplified the low income housing tax credit; increased the corporate AMT and research and development tax credits	Lowered the threshold for determining the refundable portion of the child tax credit to \$8,500 in 2008; extended the research tax credit and new markets tax credit through 2009

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Tax Increase Prevention Act of 2007	Economic Stimulus Act of 2008	Housing Assistance Tax Act of 2008	Emergency Economic Stabilization Act of 2008
Business (Expensing, Depreciation)		For 2008, increased the limitation on expensing qualified investment to \$250,000; the maximum investment phaseout threshold to \$800,000; and the first-year depreciation allowance to 50 percent of the cost of qualifying investments	Delayed the start of new worldwide interest allocation rules; accelerated estimated tax payments for large corporations	Allowed financial institutions to treat gains or losses from the sale or exchange of Fannie Mae or Freddie Mac preferred stock as ordinary income or loss; added new limitations on the deductibility of executive compensation by employers participating in the troubled assets relief program
Capital Gains, Dividends				
Tax Compliance/Penalties				
Pease, PEP				

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	Tax Increase Prevention Act of 2007	Economic Stimulus Act of 2008	Housing Assistance Tax Act of 2008	Emergency Economic Stabilization Act of 2008
Estate, Gift and Transfer Taxes				
Other		<p>Provided one-time rebate equal to the lesser of net income tax liability and \$600 (\$1,200) for individual (joint) filers. Ensured a minimum tax rebate of \$300 (\$600 for joint filers) for individuals with earnings plus Social Security plus veteran's benefits above \$3,000. Provided additional rebates of \$300 per qualified child. Reduced rebate by 5% of AGI above \$75,000 (\$150,000 for married joint filers)</p>	<p>Simplified the rules for tax-exempt housing bonds; temporarily extended the state and local mortgage revenue bond program</p>	<p>Extended and modified various renewable energy incentives, carbon mitigation and coal provisions, and transportation and domestic fuel security provisions</p>

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.

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SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	American Recovery and Reinvestment Tax Act of 2009	Patient Protection and Affordable Care Act of 2010	Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010
Tax Rates		Effective January 1, 2013, a 3.8% Medicare contribution tax is imposed on unearned income for taxpayers with AGI in excess of \$250,000 for married filing jointly, \$125,000 for married filing separately and \$200,000 for single or head of household; effective January 1, 2013, the HI tax on employees is increased by 0.9 percent on wages for AGI in excess \$250,000 for married filing jointly, \$125,000 for married filing separately and \$200,000 single or head of household.	Extend through 2012 the tax rates as they are under EGTRRA.
Tax Brackets			Extended through 2012 the doubled 15% bracket for joint filers and the 10% bracket.

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	American Recovery and Reinvestment Tax Act of 2009	Patient Protection and Affordable Care Act of 2010	Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010
Deductions	Allowed a deduction for sales tax on new cars purchased in 2009	The itemized deduction floor for unreimbursed medical expenses is raised to 10 percent of AGI, effective January 1, 2013 for taxpayers and their spouses (remains the same through 2016 for taxpayers and spouses aged above 65); deductibility of remuneration for services provided by officers, employees, directors and other workers for a covered health insurance provider is limited to \$500,000 effective January 1, 2013; effective January 1, 2013, allowable deduction for retiree prescription drug expenses is limited by the amount of payment received as a Medicare part D subsidy; effective January 1, 2010, organizations not meeting the 85 percent medical loss ratio standard for the taxable year are ineligible for the 25 percent deduction and exemption from the 20 percent reduction in unearned premium reserve deduction under section 833.	Extended setting standard deduction for married filing jointly to twice that of single filers through 2012. Extended through 2011 the deduction for state and local sales taxes in lieu of state and local income taxes, the deduction for qualified tuition expenses, and the deduction for expenses of school teachers
Exclusions	Exempts from taxation up to \$2,400 of unemployment compensation per person in 2009	Effective March 30, 2010, specified Indian tribe health care benefits are excluded from gross income; amounts received after January 1, 2009, from State loan repayment or State loan forgiveness programs in lieu of expanding the availability of health care services in underserved areas are eligible for gross income exclusion.	

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	American Recovery and Reinvestment Tax Act of 2009	Patient Protection and Affordable Care Act of 2010	Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010
<p align="center">AMT</p>	<p>Increased exemption to \$46,700 for single filers; \$70,950 for married joint filers for 2009</p>		<p>Increase exemption to \$47,450 for single filers; \$72,450 for married couples filing jointly in 2010 (\$48,450 and \$74,450 for 2011).</p>
<p align="center">IRAs / Pension</p>		<p>Additional tax on withdrawals from a Health Security Account/Archer Medical Security Account, not used for qualified medical expenses is 20 percent effective January 1, 2011; effective January 1, 2011, medicines purchased over-the-counter without a physician's prescription are not reimbursable with excludible income through a Health FSA, HRA, HSA or Archer MSA; effective January 1, 2013, the maximum amount of reimbursement from a Health Flexible Spending Arrangement (FSA) to be a qualified benefit under a cafeteria plan, for incurred medical expenses by an employee or the employee's dependents is limited to \$2,500, indexed to inflation.</p>	

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	American Recovery and Reinvestment Tax Act of 2009	Patient Protection and Affordable Care Act of 2010	Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010
Tax Credits	Created the Making Work Pay Credit and the American Opportunity Tax Credit; increased the EITC credit rate to 45% for families with three or more children and increased the phaseout range for joint filers to \$5,000 more than that for single filers; lowered the threshold for determining the refundable portion of the child tax credit to \$3,000 in 2009 and 2010; converted the first-time homebuyer credit to a refundable credit; expanded the Work Opportunity Tax Credit for 2009 and 2010 and the New Markets Tax Credit for 2008 and 2009 HOW TO SHOW THAT MOST PROVISIONS COVER 2009 AND	The Adoption Credit and the Adoption Assistance Program are extended by one year through 2011 and the credit is made refundable; the Cellulosic Biofuel Producer Credit no longer applies to fuels with significant water, sediment or ash content; a 50% tax-credit is offered to qualified investments made after January 1, 2009 in qualifying therapeutic projects for firms with lesser than 250 employees.	Extend the American Opportunity Tax Credit through 2012. Extend the 2009 expansion of the Earned Income Tax Credit and the Child Tax Credit through 2012. Extend the expansion of the dependent care tax credit as under EGTRRA through 2012.
Business (Expensing, Depreciation)	Extended through 2009 increased Section 179 expensing; allowed 50% bonus depreciation for 2009; increased the NOL carryback period to 5 years; allowed deferral of income on the buying back or exchanging of debt at a discount	The estimated tax liability for corporations in July, August and September 2014 is increased by 15.75 percentage points and the next required payment is reduced accordingly.	100% bonus depreciation for 2011 and 50% for 2012; expanded section 179 expensing during 2012 for small businesses for up to \$125,000/yr.
Capital Gains, Dividends			Extended through 2012 reduced tax rates on long-term capital gains and qualified dividends enacted by JGTRRA

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	American Recovery and Reinvestment Tax Act of 2009	Patient Protection and Affordable Care Act of 2010	Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010
Tax Compliance/Penalties		<p>Effective January 1, 2011, employers are required to disclose the value of employer-sponsored health insurance provided to each employee on the concerned employee's W-2 form; effective January 1, 2013, corporations are required to file an information return for payments totaling over \$600 to a single recipient (except tax-exempt recipients); effective March 31, 2010, section 7701(o) makes the definition of 'economic substance' uniform in the economic substance doctrine along with introducing a penalty rate of 20 percent for underpayments.</p>	
Pease, PEP			<p>Repealed limitation on itemized deductions and the personal exemption phaseout through 2012.</p>

SELECTED PROVISIONS OF MAJOR TAX LEGISLATION BY ACT 1981 to 2010

PROVISION	American Recovery and Reinvestment Tax Act of 2009	Patient Protection and Affordable Care Act of 2010	Tax Relief Unemployment Insurance Reauthorization and Job Creation Act of 2010
<p align="center">Estate, Gift and Transfer Taxes</p>			<p>Imposed the estate tax with an effective exemption of \$5 million and a 35 percent tax rate; replaced the state death tax credit with a deduction; allowed married couples to divide combined effective \$10 million exemption in any proportions.</p>
<p align="center">Other</p>	<p>Allocated \$25 billion for recovery zone bonds to be issued in 2009 and 2010; extended and modified various energy conservation and renewable energy provisions</p>	<p>Effective January 1, 2018, a 40 percent excise tax is imposed if the aggregate value of the employer sponsored health coverage for an employee exceeds the threshold amount: the threshold amount in 2018 is \$10,200 for individual coverage and \$27,500 for family coverage and the excise tax is levied on the amount of coverage in excess of the threshold amount; an annual fee is imposed on manufacturers and importers of branded prescription drugs, effective January 1, 2011; effective January 1, 2013, an annual fee is imposed on the providers of health insurance in the USA; effective January 1, 2013, a 2.3 percent excise tax is imposed on the sale of any taxable medical device by the manufacturer, producer or importer of such a device; effective July 1, 2010, a 10 percent excise tax is levied on individuals on whom indoor tanning services are performed.</p>	<p>Reduce the Social Security (OASDI) tax rate on employees to 4.2 percent for 2011; reduce self-employment tax rate by two percentage points but do not reduce the amount that can be deducted against income.</p>

Sources: Joint Committee on Taxation budget estimates and technical explanations; Library of Congress public law summaries.