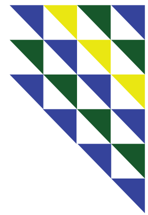
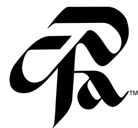
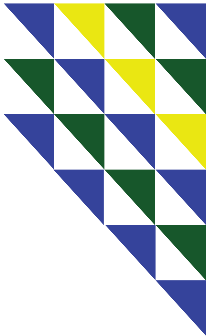


An Analysis of Changes in Federal Tax Laws for the Year **2015**



Prepared by the Taxation Strategic Committee
Oregon Society of CPAs

Oregon Society of Certified Public Accountants



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Introduction

On behalf of the Oregon Society of CPAs' Taxation Strategic Committee, it is with honor and pleasure we present to you an Analysis of Changes in Federal Tax Laws for 2015.

Oregon Society of CPAs (OSCPA) Legislative Analysis

This OSCPA Legislative Analysis presents all Federal tax law changes that have been enacted since the Legislature adjourned from the 2015 session. Oregon has a long history of conforming to the Internal Revenue Code, but in doing so each Legislative Assembly analyzes the implications of Federal law changes that have been enacted since the last legislative session. Our committee has been presenting the Legislature with this analysis for many years. Our primary objective is to be a technical resource for the Legislature and, secondarily, to promote taxpayer compliance by striving to keep Oregon tax law tied to the Internal Revenue Code. This connection is accomplished by using both a "fixed date conformity" and a "permanent connection."

Oregon's "permanent connection" applies only to the definition of taxable income. Typically, we will recommend that Federal changes to provisions that fall outside the definition of taxable income also be changed to conform to the Internal Revenue Code. Some examples of the types of items requiring a law change are tax credits, estimated tax provisions and net operating loss rules. Many of these provisions are currently tied to definitions in the Internal Revenue Code as of Dec. 31, 2014, and the tie date should generally be updated to Dec. 31, 2015.

For years beginning on or after Jan. 1, 2011, Oregon is permanently connected to the Internal Revenue Code for the definition of Federal taxable income. In past Legislative sessions, Oregon specifically disconnected from the following Federal taxable income provisions:

1) The domestic production activities deduction (otherwise known as the manufacturing or section 199 deduction).

2) The exclusion from income for Federal subsidies for prescription drugs.

Recommendations Key

A

General reconnect: Oregon automatically reconnects to the Federal change. Oregon generally subscribes to the provisions being amended, and therefore, we do not recommend any change. No modification is necessary to tie to the Federal change.

B

No ORS change necessary: No change is necessary to the ORS. This provision affects a credit, penalty or administrative rule which applies only to the Federal tax system, does not apply to the determination of taxable income, or is automatically modified by provisions in the ORS. Oregon does not automatically adopt these provisions, however, no modification of ORS is necessary. We have noted with an asterisk (*) items that may be of interest and warrant further consideration by Oregon.

C

ORS change necessary: A change to the ORS is necessary in order to conform to this Federal provision. To increase taxpayer compliance, it is recommended that Oregon Statutes be amended to conform as closely as possible to this change.

D

No ORS change necessary: These provisions reference the tax code, but do not impact tax law. We have analyzed any relevant tax provisions and they are included in Recommendations A through C above.

E

These Acts may reference the tax code but may not impact income tax law. We have not analyzed these Acts in full and have noted with an asterisk (*) items that may be of interest and warrant further consideration by Oregon.

Section A

General reconnect: Oregon automatically reconnects to the Federal change. Oregon generally subscribes to the provisions being amended, and therefore, we do not recommend any change. No modification is necessary to tie to the Federal change.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Protecting Americans from Tax Hikes Act of 2015				
61	Qualifying clean coal power grants excluded from gross income.	The 2005 Energy Tax Act provided for Federal financial assistance (whether in the form of a grant, award or allowance) under the Clean Coal Power Initiative to those taxpayers meeting the specified criteria. Although corporate taxpayers may have been eligible to exclude such financial assistance from gross income as a contribution to capital under Code Section 118, in turn reducing the basis of any property acquired by reason of the capital contribution by the amount of the contribution, an equivalent exclusion from income was not available to noncorporate shareholders.	Retroactively provides that in the case of an eligible taxpayer other than a corporation, gross income does not include any amount received under Section 402 related to clean coal power grants.	Amounts received under Section 402, in taxable years beginning after Dec. 31, 2011.
62	Up-to-$250 teachers' expense deduction is expanded to cover professional development expenses, and indexed for inflation, after 2015.	These expenses were not deductible. Without the deduction for eligible educator expenses, any unreimbursed expenses that elementary or secondary school teachers might be able to deduct in connection with their teaching activities would be deductible only as unreimbursed employee business expenses, i.e., as miscellaneous itemized deductions subject to the two-percent-of-adjusted gross income (AGI) floor on miscellaneous itemized deductions.	The Act adds that the deduction for eligible educator profressional development expenses is available for tax years beginning after Dec. 31, 2015.	Tax years beginning after Dec. 31, 2015.
62(a)(2)(D)	Up-to-$250 teachers' expense deduction is retroactively made permanent and indexed for inflation, after 2015.	Eligible educators are allowed an above-the-line deduction of up to $250 for out-of-pocket expenses they paid in connection with books, supplies (other than nonathletic supplies for courses of instruction in health or physical education), computer equipment (including related software and services), other equipment and supplementary materials used in the classroom.	The Act adds that the deduction for eligible educator expenses is available for tax years beginning after Dec. 31, 2014.	Tax years beginning after Dec. 31, 2014 and indexed for inflation after Dec 31, 2015.

Section A

Code Section	Topic	Law Before Act	Law After Act	Effective Date
105(j)	Exclusion for health care reimbursements paid under public or state accident or health plans that have covered deceased participant's beneficiaries since before 2008-rules clarified and expanded.	Amounts received by an employee through an employer-provided accident or health plan, which are paid to reimburse the employee for medical expenses of the employee, his spouse, his dependents or his children who will not reach age 27 during the tax year, are excluded from the employee's gross income.	The Act expands and clarifies the exclusion from gross income for benefits paid to a taxpayer from an accident or health plan established in connection with a public retirement system that, before Jan. 1, 2008, provided for the payment of medical benefits to a deceased participant's beneficiary.	Payments after Dec. 18, 2015.
108(a)(1)(E)	Exclusion of home mortgage forgiveness from debt discharge income is retroactively extended through 2016.	A discharge of indebtedness generally gives rise to gross income, known as "debt discharge income" or "Cancellation of Debt (COD) income." Under a "mortgage forgiveness exclusion," any debt discharge income resulting from a discharge (in whole or in part) of "qualified principal residence indebtedness" is excluded from gross income. The basis of the residence is reduced, but not below zero, by the excluded debt discharge income. Under prior law, the mortgage forgiveness exclusion applied to indebtedness discharged before Jan. 1, 2015.	Under the Act, the mortgage forgiveness exclusion will apply to indebtedness discharged before Jan. 1, 2017.	Discharges of indebtedness after Dec. 31, 2014 and before Jan. 1, 2017.
117(c)(2)(C)	Payments from certain work-learning-service programs operated by a work college are excluded from income.	Gross income does not include any amount received as a qualified scholarship by an individual who is a candidate for a degree at an educational organization. However, the exclusion does not apply to that part of the amount received that represents payment for teaching, research or other services (sometimes referred to as the "payment-for-services rule"), Under pre-act law, there was no statutory exception to the payment-for-services rule for amounts received under a work college program.	The payment-for-services rule does not apply to amounts received by individuals under a comprehensive student work-learning-service program operated by a work college. So, the provision exempts from gross income any payments from certain work-learning-service programs operated by a work college.	Amounts received in tax years beginning after Dec. 18, 2015.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
132(f)(2)	Dollar amount of monthly exclusion for employer-provided mass transit and parking benefits raised to match the exclusion for parking benefits.	For months beginning before Feb. 17, 2009, an employer could exclude from an employee's income a statutory amount of up to $100 a month ($120, as adjusted for inflation for 2009) for qualified transportation fringe benefits that the employer provided through transit passes and vanpooling. Prior legislation temporarily raised the excludable amount to provide parity for these benefits with employer-provided parking benefits, which are excluded up to a statutory amount of $175 a month ($245, as adjusted for inflation for 2013), for months beginning before Jan. 1, 2014.	The Act extends parity, for any month beginning after Dec 31, 2014 (i.e., in 2015), the monthly exclusion limitation for employer-provided transit and vanpooling benefits is the same as for employer-provided parking.	For months after Dec. 31, 2014.
139F	Damages for wrongful incarceration are excluded from gross income.	The exclusion from income is limited to compensation for physical injuries or sickness and the resulting economic losses. It does not apply to damages for an exonerated prisoner's loss of liberty, loss of earnings or emotional distress not caused by a physical injury or sickness, nor does it apply to punitive damages.	The 2015 Protecting Americans from Tax Hikes Act provides that for a wrongfully incarcerated individual gross income does not include any civil damages, restitution or other monetary award, including compensatory or statutory damages and restitution imposed in a criminal matter, relating to the individual's incarceration for the covered offense (defined below) for which the individual was convicted.	Tax years beginning before, on or after Dec. 18, 2015.
163(h)(3)(E)(iv)(I)	Mortgage insurance premium deduction is retroactively extended through 2016.	Premiums paid or accrued during the tax year for qualified mortgage insurance in connection with acquisition indebtedness for the taxpayer's main or second home are treated as qualified residence interest, and so are deductible through Dec 31, 2014.	Under the Act,the rules that treat qualified mortgage insurance premiums as deductible qualified residence interest will not apply to amounts that are paid or accrued after Dec. 31, 2014 and before Jan 1. 2017.	Amounts paid or accrued after Dec. 31, 2014 and before Jan. 1, 2017.
164(b)(5)(I)	Election to claim itemized deduction for state/local sales taxes is retroactively made permanent.	Taxpayers could for tax years beginning after Dec. 31, 2003 and before Jan. 1, 2015 elect to take an itemized deduction for state and local general sales taxes instead of an itemized deduction for state and local income taxes.	The Act modifies the election provision to make it applicable to all years after Dec 31, 2014.	Tax years beginning after Dec. 31, 2014.

Section A

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(e)(3) 168(k)(2)(A)(i)(IV) & 168(k)(3)	Fifteen-year Modified Accelerated Cost Recovery System (MACRS) depreciation for certain building improvements and restaurants is retroactively restored and made permanent.	Under prior law, a building improvement that was “qualified leasehold improvement property,” "qualified retail improvement property" or "qualified restaurant property" placed in service before Jan. 1, 2015 was depreciated on the straightline method over a 15-year General Depreciation System (GDS) recovery period. Qualified leasehold improvement property, qualified retail improvement property and qualified restaurant property placed in service before Jan. 1, 2015 were depreciated over a 39-year recovery period for Alternative Depreciation System (ADS) purposes.	Under the Act, the 15-year GDS recovery period and 39-year ADS recovery period is made permanent for qualified leasehold improvement property, qualified retail improvement property and qualified restaurant property placed in service after Dec 31, 2014.	Property placed in service after Dec. 31, 2014.
168(e)(3)(A)(i)	Three-year Modified Accelerated Cost Recovery System (MACRS) depreciation is retroactively restored and extended to all race horses placed in service before Jan. 1, 2017 and will apply to race horses more than two-years old when placed in service after Dec. 31, 2016.	Under prior law, a race horse had a three-year recovery period if it was placed in service before Jan. 1, 2015; or placed in service after Dec. 31, 2014, and was more than two-years old at the time that it was placed in service by the purchaser. A race horse that is ineligible for a three-year recovery period has a seven-year recovery period.	The Act extends the three-year recovery period for race horses placed in service before Jan. 1, 2017 and will apply to race horses more than two-years old when placed in service after Dec. 31, 2016.	Property placed in service after Dec. 31, 2014.
168(e)(3)(e)(v) 168(k)(2)(A)(i)(IV) & 168(k)(3)	Requirements for building improvements qualifying for bonus depreciation (and Alternative Minimum Tax relief) are relaxed.	Under pre-2015 Protecting Americans from Tax Hikes Act law, neither “qualified restaurant property” nor “qualified retail improvement property” that was eligible for 15-year depreciation was also eligible to be “qualified property” unless it was also “qualified leasehold improvement property.”	Under the 2015 Protecting Americans from Tax Hikes Act, “qualified leasehold improvement property” is no longer qualified property, but a new category, “qualified improvement property,” is qualified property. “Qualified improvement property” is any improvement to an interior portion of a building that is nonresidential real property if the improvement is placed in service after the date the building was first placed in service.	Property placed in service after Dec. 31, 2015.
168(i)(15)(D)	Seven-year recovery period for motorsports entertainment complexes is retroactively restored and extended to facilities placed in service before Jan. 1, 2017.	Motorsports entertainment complexes placed in service after Oct. 22, 2004 and before Jan. 1, 2015 are treated as seven-year Modified Accelerated Cost Recovery System (MACRS) property.	The Act retroactively restores the treatment of qualifying property used for land improvement and support facilities at motorsports entertainment complexes as seven-year property for property placed in service in 2015 and extends it to property placed in service before Jan. 1, 2017.	Property placed in service after Dec. 31, 2014 and before Jan.1, 2017.

Section A

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(j)(8)	Accelerated depreciation rules for Indian reservation property are retroactively restored and extended to property placed in service through Dec. 31, 2016.	Under prior law, shortened depreciation recovery periods could be used for qualified Indian reservation property placed in service before Jan. 1, 2015. For example, property normally depreciable over a five-year period could be depreciated over a three-year period if it was qualified Indian reservation property. Also, the depreciation deduction allowed for regular tax purposes with respect to qualified Indian reservation property was also allowed for purposes of the Alternative Minimum Tax (AMT).	The Act retroactively restores the treatment of qualifying property for property placed in service in 2015 and extends it to property placed in service before Jan. 1, 2017.	Property placed in service after Dec. 31, 2014 and before Jan.1, 2017.
168(k)(2)(A)(iii) 168(k)(2)(A)(iv) & 168(k)(2)(B)(i)(II)	Increase in first-year depreciation cap for cars that are "qualified property" is restored and extended through Dec. 31, 2019.	Code Section 280F(a) imposes dollar limits on the depreciation deductions (including deductions under the Code Section 179 expensing election) that can be claimed with respect to "passenger automobiles." The dollar limits are adjusted annually from a base amount to reflect changes in the automobile component of the Consumer Price Index (CPI). For any passenger automobile that is "qualified property" and which isn't subject to a taxpayer election to decline the bonus depreciation and Alternative Minimum Tax (AMT) depreciation relief otherwise available for "qualified property" under Code Section 168(k), the above rules apply, except that the applicable first-year depreciation limit is increased by $8,000 (not indexed for inflation). Under prior law, qualified property did not include property placed in service after Dec. 31, 2014.	TheAct provides that the placed-in-service deadline for "qualified property" is Dec. 31, 2019. Thus, for a passenger automobile that satisfies the other requirements for qualified property (and is not subject to the election to decline bonus depreciation and AMT depreciation relief), the Act extends the placed-in-service deadline for the $8,000 increase in the first-year depreciation limit from Dec. 31, 2014 to Dec. 31, 2019.	Property placed in service after Dec. 31, 2014 and before Jan. 1, 2020.

Section A

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(k)(2)(A)(iii) 168(k)(2)(A)(iv) 168(k)(2)(B)(ii) & 168(k)(2)(C)(i)	Bonus depreciation and Alternative Minimum Tax (AMT) relief are restored and extended to apply to property placed in service before Jan. 1, 2020 (before Jan. 1, 2021 for certain property).	Under pre-2015 Protecting Americans from Tax Hikes Act law the timely-placed-in-service requirement was that the property had to be placed in service by the taxpayer before Jan. 1, 2015, except for certain aircraft and certain long-production-period property that had to be placed in service before Jan. 1, 2016. However, long-production-period property could qualify for the Dec. 31, 2015 placed-in-service deadline only to the extent of adjusted basis attributable to manufacture, construction or production before Jan. 1, 2015 (the progress expenditure rule).	The 2015 Protecting Americans from Tax Hikes Act changes the timely-placed-in-service requirement to provide that qualified property has to be placed in service by the taxpayer before Jan. 1, 2020, except that the aircraft and long-production-period property discussed above have to be placed in service before Jan. 1, 2021; thus, effectively extending for five years bonus depreciation.	Property placed in service after Dec. 31, 2014 and before Jan. 1, 2020.
168(k)(2)(A)(iii) 168(k)(2)(b)(i)(III) 168(k)(2)(c)(i) & 168(k)(2)(E)(i)	Timely acquisition requirement for qualified property eligible for bonus depreciation and Alternative Minimum Tax (AMT) relief is extended and then clarified.	Under pre-2015 Protecting Americans from Tax Hikes Act law the timely acquisition requirement was satisfied if the property was acquired by the taxpayer either (1) after Dec. 31, 2007 and before Jan. 1, 2015, but only if no written binding contract for the acquisition was in effect before Jan. 1, 2008, or (2) under a written binding contract entered into after Dec. 31, 2007 and before Jan. 1, 2015. For a taxpayer manufacturing, constructing or producing property for its own use, the timely acquisition requirement was treated as met if the taxpayer began the manufacture, construction or production after Dec. 31, 2007 and before Jan. 1, 2015.	The 2015 Protecting Americans from Tax Hikes Act changes the timely-placed-in-service requirement to provide that qualified property has to be placed in service by the taxpayer before Jan. 1, 2020, except that the aircraft and long-production-period property have to be placed in service before Jan. 1, 2021. In addition to changing the placed-in-service rules for qualified property and, thus, effectively extending for five years bonus depreciation and AMT relief for qualified property, the 2015 Protecting Americans from Tax Hikes Act makes additional changes to the bonus depreciation and/or AMT relief rules.	Property placed in service after Dec. 31, 2014 and before Jan. 1, 2020.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(k)(2)(F)(iii)	Increase in first-year depreciation cap for cars that are "qualified property" is phased down in calendar years 2018 and 2019.	Code Section 280F(a) imposes dollar limits on the depreciation deductions (including deductions under the Code Section 179 expensing election) that can be claimed with respect to “passenger automobiles. The dollar limits are adjusted annually from a base amount to reflect changes in the automobile component of the Consumer Price Index (CPI). Generally, for passenger automobiles placed in service in 2015, the adjusted first-year limit is $3,160. For passenger automobiles built on a truck chassis (“qualifying trucks and vans”) a different CPI component is used, and for 2015 the adjusted first-year limit is $3,460, for any passenger automobile that is “qualified property” and which isn't subject to a taxpayer election to decline the bonus depreciation and AMT depreciation relief otherwise available for “qualified property” under Code Section 168(k).	For passenger automobiles that are qualified property and placed in service beginning with calendar year 2018, the $8,000 increase in the first-year depreciation limit is phased down. Thus, for a passenger automobile placed in service after Dec. 31, 2017, the following amounts are substituted for $8,000: $6,400 for automobiles placed in service during calendar year 2018, and $4,800 for automobiles placed in service during calendar year 2019.	Property placed in service after Dec. 31, 2017.
168(k)(2)(G)	Alternative Minimum Tax (AMT) relief for bonus-depreciation property is restated.	Under pre-2015 Protecting Americans from Tax Hikes Act law, the AMT relief was provided by the statement that for purposes of determining alternative minimum taxable income under Code Section 55, the deduction under Code Section 168(a) for qualified property is determined under Code Section 168 without regard to any adjustment under Code Section 56.	The 2015 Protecting Americans from Tax Hikes Act substituted the statement that for purposes of determining alternative minimum taxable income under Code Section 55, the deduction under Code Section 167 is determined without regard to any adjustment under Code Section 56. Because, as indicated by Code Section 168(a) itself, Code Section 167 and not Code Section 168(a) provides the deduction for depreciation, the above restatement is more technically accurate.	Property placed in service after Dec. 31, 2015 and before Jan. 1, 2020.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(k)(4)	Rules for corporations trading bonus and accelerated depreciation for the refund of otherwise deferred Alternative Minimum Tax (AMT) credits are modified for tax years beginning after Dec. 31, 2015.	Under pre-2015 Protecting Americans from Tax Hikes Act law, in recent years the deferred credits for which bonus and accelerated depreciation could be exchanged were credits for Alternative Minimum Tax (AMT) paid that was attributable to tax years beginning before 2006. The amount of otherwise-deferred pre-2006 credits presently allowed for a tax year was determined by the “bonus depreciation amount” for the tax year, which was limited to 20 percent of the difference between (1) depreciation allowed for “eligible qualified property” if bonus depreciation was allowed and (2) depreciation allowed for “eligible qualified property” if bonus depreciation wasn't allowed. Additionally, the bonus depreciation amount for a tax year couldn't exceed the “maximum amount,” which was the lesser of $30 million or 6 percent of the taxpayer's pre-2006 credits (the maximum increase amount) decreased by the bonus depreciation amount for all preceding tax year. A separate bonus depreciation amount (see above), maximum amount (see above) and maximum increase amount (see above) were computed and applied separately for each period for which the Code Section 168(k)(4) election was legislatively renewed.	If a corporation makes a Code Section 168(k)(4) election: neither bonus depreciation nor, for passenger automobiles (autos), the higher first-year passenger auto depreciation cap that applies to autos that are qualified property applies to qualified property placed in service during the tax year; the straight line method must be the method used under Code Section 168 (MACRS depreciation) for the qualified property placed in service during the year; and the limit imposed by Code Section 53(c) for the tax year (i.e., the limit on the amount of AMT credit calculated under Code Section 53(b) that is allowable), is increased by the bonus depreciation amount determined for the tax year.	Property placed in service after Dec. 31, 2015 and before Jan. 1, 2020.
168(k)(4)(D)(iii)(II) & 168(k)(4)(L)	Corporations' trading of bonus and accelerated depreciation for the refund of otherwise deferred Alternative Minimum Tax (AMT) credits is restored and extended.	A corporation can make an election (a Code Section 168(k)(4) election) to forego bonus and accelerated depreciation for “eligible qualified property” in exchange for the present allowance, as refundable tax credits, of certain otherwise-deferred “pre-2006 credits.”	Under the 2014 Tax Increase Prevention Act, a taxpayer that doesn't have a Code Section 168(k)(4) election in effect for round three extension property is allowed to make a Code Section 168(k)(4) election for round four extension property. Additionally, if a taxpayer does have a Code Section 168(k)(4) election in effect for round three extension property, the taxpayer is treated as having a Code Section 168(k)(4) election in effect for round four extension property, unless the taxpayer elects to not have the Code Section 168(k)(4) election apply to round four extension property.	Property placed in service after Dec. 31, 2014 and before Jan. 1, 2016.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(k)(5)	Relaxed placed in service rule applies to certain plants bearing fruit or nuts for purposes of bonus depreciation and AMT relief.	Under pre-2015 Protecting Americans from Tax Hikes Act law, the property had to be placed in service by the taxpayer before Jan. 1, 2015. However, long-production-period property could qualify for the Dec. 31, 2015 placed-in-service deadline only to the extent of adjusted basis attributable to manufacture, construction or production before Jan. 1, 2015.	The deadline, as extended by the 2015 Protecting Americans from Tax Hikes Act, for complying with the placed-in-service requirement for “qualified property” is Dec. 31, 2019. In addition, generally for depreciation purposes, fruit-bearing or nut-bearing plants are deemed to be placed in service when they reach an income-producing stage (the usual placed-in-service rule). Thus, some plants might not meet the “qualified property” placed-in-service deadline if the usual placed-in-service rule applied, but would meet the deadline if, for purposes of the deadline, placement in service was deemed to occur upon planting or grafting.	Specified plants planted or grafted after Dec. 31, 2015 and before Jan.1 2020.
168(k)(6)	Bonus depreciation is phased down after Dec. 31, 2017.	Under Code Section 168(k), a taxpayer that owns “qualified property” (see below) is, generally, allowed 50 percent depreciation (bonus depreciation) in the year that the property is placed in service (with corresponding reductions in basis and, thus, reductions of the regular depreciation deductions otherwise allowed in the placed-in-service year and in later years). Additionally, qualified property is exempt from the Alternative Minimum Tax (AMT) depreciation adjustment, which is the adjustment that requires that certain property depreciated on the 200 percent declining balance method for regular income tax purposes must be depreciated on the 150 percent declining balance method for AMT purposes.	Under the 2015 Protecting Americans from Tax Hikes Act the bonus depreciation available for qualified property, as extended through 2019 (through 2020 for certain property with a long production period and certain aircraft), is phased down beginning in calendar year 2018 (beginning in calendar year 2019 for certain property with a long production period and certain aircraft). Thus, for qualified property placed in service after Dec. 31, 2017, the following are substituted for 50 percent bonus depreciation: (1) 40 percent bonus depreciation for property placed in service in calendar year 2018 (in calendar year 2019 for property described in Code Section 168(k)(2)(B), i.e., the long-production-period property referred to above, Code Section 168(k)(2)(C), i.e., the aircraft referred to above and Code Section 168(k)(6)(A)) and (2) 30 precent bonus depreciation for property placed in service in calendar year 2019 (in calendar year 2020 for property described in Code Section 168(k)(2)(B)).	Property placed in service after Dec. 31, 2017.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
168(k)(7)	Election-out of bonus depreciation for qualified property is narrowed to no longer include an election out of Alternative Minimum Tax (AMT) relief.	Under pre-2015 Protecting Americans from Tax Hikes Act law, the rules for qualified property did not apply to classes of property for which, under pre-2015 Act Code Section 168((k)(2)(D)(iii), the taxpayer elected to not apply Code Section 168(k) (an “election-out”).	The “election-out” that under pre-2015 Protecting Americans from Tax Hikes Act was provided by Code Section 168(k)(2)(D)(iii) and stated that Code Section 168(k) did not apply to classes of qualified property designated by the taxpayer was moved by the 2015 Protecting Americans from Tax Hikes Act to Code Section 168(k)(7) and changed to not apply Code Section 168(k)(1) and Code Section 168(k)(2)(F) to the classes of qualified property designated by the taxpayer.	Property placed in service after Dec. 31, 2015 and before Jan. 1, 2020.
168(l)(2)(D)	Special depreciation allowance for second generation biofuel plant property is retroactively restored and extended to apply to property placed in service before Jan. 1, 2017.	For property placed in service before Jan. 1, 2015, there was a special first-year depreciation deduction allowance equal to 50 percent of the adjusted basis of qualified second generation biofuel plant property. Thus, under pre-2015 Protecting Americans from Tax Hikes Act law, the special allowance for second generation biofuel property was not available for property placed in service after Dec. 31, 2014. Qualified second generation biofuel plant property is depreciable property used in the U.S. solely to produce any liquid fuel that: (1) is derived from qualified feedstocks and (2) meets the registration requirements for fuels and fuel additives established by the Environmental Protection Agency under Section 211 of the Clean Air Act.	The 2015 Protecting Americans from Tax Hikes Act retroactively extends the special depreciation allowance for second generation biofuel plant property, so that it applies to property placed in service before Jan. 1, 2017. The provision therefore extends retroactively, the special depreciation allowance for two years, to qualified second generation biofuel plant property placed in service before Jan. 1, 2017.	Property placed in service after Dec. 31, 2014 and before Jan.1, 2017.
170(b)(1)(A)(ix)	Agricultural research organizations are 50 percent charities, not private foundations.	Under pre-2015 Protecting Americans from Tax Hikes Act law, certain organizations were 50 percent charities.	The 2015 Protecting Americans from Tax Hikes Act adds agricultural research organizations to the list of 50 percent charities. To qualify as a 50 percent charity, the agricultural research organization must be directly engaged in the continuous active conduct of agricultural research in conjunction with a land grant college or university or a non-land grant college of agriculture.	Contributions made on and after Dec. 18, 2015.
170(b)(1)(E)(vi)	Incentives for qualified conservation contributions of individuals are retroactively made permanent.	Under prior law, the increased percentage limits and extended carryforward period for qualified conservation contributions of individuals did not apply to contributions made in tax years beginning after Dec. 31, 2014.	Under the Act, the increased percentage limits and extended carryforward period for qualified conservation contributions of individuals are permanently extended for all tax years beginnning after Dec. 31, 2014.	Contributions made in tax years beginning after Dec. 31, 2014.

Section A

Code Section	Topic	Law Before Act	Law After Act	Effective Date
170(b)(2)(A) & 170(b)(2)(c)	Alaska Native Corporations may deduct certain qualified conservation contributions up to 100 percent of taxable income.	Although charitable deductions generally are not allowed for donations of partial interests, an exception is made for a “qualified conservation contribution.” This is a contribution of a qualified real property interest to a qualified organization exclusively for conservation purposes. The donee must be prohibited from making certain transfers, and the conservation purpose must be protected in perpetuity. Conservation purposes include protecting a natural habitat and preserving a land area open space (including farmland and forest land) or a historically important land area or certified historic structure. Under the pre-2015 Protecting Americans from Tax Hikes Act law, there were no special provisions for qualified conservation contributions by Alaska Native Corporations.	Under the 2015 Protecting Americans from Tax Hikes Act, under the special rules for qualified conservation contributions by certain Native Corporations, for a qualified conservation contribution made by a Native Corporation that is a contribution of property that was land conveyed under the Alaska Native Claims Settlement Act (ANCSA), a deduction for the contribution is allowed to the extent the aggregate amount of qualified conservation contributions does not exceed the excess of 100 percent of the Native Corporation's taxable income over the amount of all other allowable charitable contributions.	Contributions in tax years beginning after Dec. 31, 2015.
170(b)(2)(B)(ii) & (iii)	Incentives for qualified conservation contributions by corporate farmers and ranchers are retroactively made permanent.	Under prior law, the increased percentage limits and extended carryforward period for qualified conservation contributions by corporate farmers and ranchers did not apply to contributions made in tax years beginning after Dec. 31, 2014.	Under the Act, the increased percentage limits and extended carryforward period for qualified conservation contributions are permanently extended for all tax years beginnning after Dec. 31, 2014.	Contributions made in tax years beginning after Dec. 31, 2014.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
170(e)(3)(C)	Limitation on charitable deduction for food inventory contributions is increased from 10 percent to 15 percent of income. Also, above-basis deduction rules for charitable contributions of food inventory are retroactively made permanent.	The basis of contributed inventory is the inventoriable carrying cost assigned to any similar item not included in closing inventory, determined under the donor's method of accounting for inventory for tax purposes. For example, under the LIFO dollar value method, where there has been an invasion of a prior year's layer, the donor may compute the contributed item's basis by using prior year(s) cost or the current year cost.	The 2015 Protecting Americans from Tax Hikes Act establishes new rules for determining the FMV of charitable contributions of food inventory and for some taxpayers new rules for determining the basis of contributed food. The FMV of apparently wholesome food that cannot or will not be sold solely by reason of the taxpayer's internal standards, lack of market or similar circumstances is determined without regard to the internal standards, lack of market or other circumstances (Code Section 170(e)(3)(C)(v)(I)). FMV is determined by taking into account the price at which the same or substantially the same food items, as to both type and quality, are sold by the taxpayer at the time of the contribution. If the items have been discontinued, the price comparison is made to the price at which the taxpayer sold the items in the recent past (Code Section 170(e)(3)(C)(v)(II)). The same valuation rules apply if the taxpayer produced the food exclusively for purposes of transferring it to a Code Section 501(c)(3) organization that is not a private foundation (other than a private operating foundation), in which case, the fact that the item was produced for transfer is disregarded (Code Section 170(e)(3)(C)(v)).	Tax years beginning after Dec. 31, 2015.
179(b)	Higher limits on Code Section 179 expensing are restored, permanently extended, and adjusted for inflation.	Subject to certain limitations, taxpayers can elect to treat the cost of Section 179 property placed in service during the tax year as an expense. For tax years beginning in calendar years 2010 through 2014, a taxpayer's annually allowable Code Section 179 expense could not exceed $500,000 (the dollar limitation). The $500,000 limit had to be reduced (i.e., phased out, but not below zero) by the amount by which the cost of Section 179 property placed in service by the taxpayer during the tax year exceeded $2,000,000 (the beginning-of-phaseout amount). For tax years beginning after calendar year 2014, the Code Section 179 dollar limitation was $25,000 and the beginning-of-phaseout amount was $200,000.	The $500,000 dollar limitation and $2,000,000 beginning-of-phaseout amount are retroactively restored and permanently extended. After 2015, the dollar limitation and beginning-of-phaseout amount are adjusted for inflation.	Tax years beginning after Dec. 31, 2014.

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179(c)(2)	Revocation of Code Section 179 election without IRS consent is retroactively restored and permanently extended.	The Code Section 179 expense election could be revoked without IRS consent only for tax years beginning before calendar year 2015.	A taxpayer's ability to revoke a Code Section 179 election without IRS consent is made permanent.	Tax years beginning after Dec. 31, 2014.
179D	Energy efficient building standards changed and deduction is retroactively restored and extended.	A deduction for an amount equal to the cost of Energy Efficient Commercial Building (EECB) property wasn't available for property placed in service after Dec. 31, 2014.	The definition of EECB property is modified by requiring increased efficiency standards for property placed in service after Dec. 31, 2015. The deduction for EECB property is retroactively extended through 2016.	Property placed in service after Dec. 31, 2014 and before Jan. 1, 2017.
179(d)(1)	Air conditioning and heating units are made eligible to be Section 179 property.	Air conditioning units and heating units were specifically excluded from being Section 179 property.	The language in the tax code that excludes air conditioning units and heating units from being Section 179 property has been removed.	Tax years beginning after Dec. 31, 2015.
179(d)(1)(A)(ii)	Treatment of "off the shelf" computer software as Section 179 property is restored and permanently extended.	For tax years beginning before calendar year 2015, Section 179 property included depreciable computer software that is readily available for purchase by the general public, is subject to a non-exclusive license, and has not been substantially modified ("off the shelf" computer software).	The treatment of "off the shelf" computer software as Section 179 property is permanently extended.	Tax years beginning after Dec. 31, 2014.
179E(g)	Election to expense cost of qualified advanced mine safety equipment property.	The law provided for an election to expense advanced mine safety equipment, but the election did not apply to property placed in service after Dec. 31, 2014.	The present-law placed-in-service date is retroactively extended through 2016, allowing a taxpayer to expense 50 percent of the cost of any qualified advanced mine safety equipment property.	Property placed in service after Dec. 31, 2014 and before Jan.1, 2017.
179(f)(1)	Treatment of qualified real property as Section 179 property is restored and permanently extended.	For tax years beginning before calendar year 2015, a taxpayer could elect to treat "qualified real property" as Section 179 property, subject to an annual limit of $250,000 and the $500,000 annual per taxpayer overall limit (subject to phase-out).	The treatment of "qualified real property" as Section 179 property is permanently extended.	Tax years beginning after Dec. 31, 2014.
179(f)(3)	The $250,000 dollar cap on Code Section 179 expensing for qualified real property is removed.	For tax years beginning before calendar year 2015, the aggregate amount of the cost of qualified real property that a taxpayer could elect to treat as an expense was subject to both an annual limit of $250,000 and the $500,000 annual per taxpayer overall limit (subject to phase-out).	The annual $250,000 limitation on the amount of "qualified real property" that can be treated as Section 179 property has been removed.	Tax years beginning after Dec. 31, 2015.

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179(f)(4)	Limitation on the carryforward of unused Code Section 179 expensing attributable to qualified real property is removed.	No portion of the disallowed expensing that was attributable to qualified real property could be carried to a tax year beginning after 2014.	Amounts of Code Section 179 expensing that are both disallowed because of the active business taxable income limitation and attributable to expenditures for qualified real property placed in service in tax years beginning in calendar year 2016 or later can be carried to later tax years.	Tax years beginning after Dec. 31, 2015.
181	Election to expense the cost of qualified live theatrical productions.	Taxpayers could elect to expense the cost of qualified film and television productions, rather than capitalizing those costs, for productions beginning before Jan. 1, 2015.	Code Section 181 is expanded to include any qualified live theatrical production.	Productions commencing after Dec. 31, 2015.
181(f)	Expensing rules for qualified film and television productions.	Taxpayers could elect to expense the cost of qualified film and television productions, rather than capitalizing those costs, for productions beginning before Jan. 1, 2015.	The availability of the election is retroactively extended through 2016.	Productions beginning after Dec. 31, 2014 and before Jan. 1, 2017.
222(e)	Qualified tuition deduction is extended retroactively through 2016.	Individuals are allowed an above-the-line deduction for "qualified tuition and related expenses" for higher education paid during the tax year. The qualified tuition deduction was not available for tax years beginning after Dec. 31, 2014.	The deduction is retroactively extended through 2016.	Tax years beginning after Dec. 31, 2014 and before Jan. 1, 2017.
245(a)(12)	Foreign dividends derived from Regulated Investment Companies and Real Estate Investment Trusts ineligible for dividends received deduction.	Corporations are allowed a deduction equal to a percentage of the U.S.-source portion of dividends received from a qualified 10 percent owned foreign corporation multiplied by the applicable percentage. The deduction is available only if the distributing foreign corporation has certian post-1986 undistributed earnings and profits.	For purposes of determining whether dividends from a foreign corporation are eligible for a dividends-received deduction, dividends from Regulated Investment Companies (RICs) and Real Estate Investment Trusts (REITs) are not treated as dividends from domestic corporations.	For dividends received from RICs and REITs on or after Dec. 18, 2015.
263A(c)(7)	Relaxed placed in service rule applies to certain plants bearing fruit or nuts for purposes of bonus depreciation and Alternative Minimum Tax (AMT) relief.	Generally, for depreciation purposes, fruit-bearing or nut-bearing plants are deemed to be placed in service when they reach an income-producing stage (the usual placed-in-service rule). Thus, some plants might not meet the "qualified property" placed-in-service deadline for purposes of bonus depreciation and AMT relief if the usual placed-in-service rule applied.	A taxpayer may elect bonus depreciation for specified plants if (1) the plant is planted before Jan. 1, 2020, or grafted before that date to a plant that has already been planted, and (2) the planting or grafting takes place in the ordinary course of the taxpayer's farming business. Additionally, qualified property is exempt from the Alternative Minimum Tax (AMT) depreciation adjustment.	Specified plants planted or grafted after Dec. 31, 2015 and before Jan.1 2020.

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267(d)	Modification of related-party loss rules to prevent transfer of certain losses from tax indifferent parties.	In general, no deduction is allowed for losses from sales or exchanges of property (except in corporate liquidations), directly or indirectly, between certain related persons.	The related-party loss rules are modified by adding an exception for transfers from tax indifferent parties. A "tax-indifferent party" has been defined, in other contexts, as any person (i) that is not subject to federal income tax, or (ii) to whom an item would have no substantial impact on its income tax liability. The general rule does not apply to the extent gain or loss with respect to the property that has been sold or exchanged is not subject to federal income tax in the hands of the transferor immediately before the transfer, but any gain or loss with respect to the property is subject to federal income tax in the hands of the transferee immediately after the transfer. This provision is intended to limit the importation of losses into the U.S. tax system in situations where there is a transfer from tax-indifferent parties.	Sales and other dispositions of property acquired after Dec. 31, 2015.
355(h)	Tax-free spinoffs involving Real Estate Investment Trusts are restricted.	Because of the tax advantages of Real Estate Investment Trust (REIT) status, corporations whose business include real estate assets may prefer to contribute the real estate assets to a subsidiary and distribute the stock of the subsidiary to its shareholders, in order to allow the former subsidiary to elect REIT status. Unless the distribution of the stock of the real estate corporation qualifies as a tax-free distribution, the corporation will recognize gain on the distribution of the subsidiary stock and the shareholders receiving the subsidiary stock will either (i) be treated as receiving a dividend equal to the value of the subsidiary (to the extent of the distributing corporation's earnings and profits), or (ii) be treated as having a capital gain if their interests in the distributing corporation are significantly reduced.	With certain exceptions, the tax-free distribution rules do not apply to any distribution if either the distributing corporation or controlled corporation is a REIT.	Distributions after Dec. 6, 2015.
402	Technical amendment extends period for rollovers to traditional IRAs of amounts received in certain airline carrier bankruptcies.	If a qualified airline employee received an airline payment amount, and transferred up to 90 percent of that amount to a traditional IRA, within 180 days of the payment's receipt (or, if later, by Aug. 12, 2012), then that transferred amount was treated as a tax-free rollover contribution, excluded from gross income.	Transfers of certain “airline payment amounts” are retroactively allowed, beginning Dec. 18, 2014 through June 15, 2016. The expanded period for the transfer applies only to amounts treated as an “airline payment amount” by reason of the amended definition made by 2014 Airlines Bankruptcy Payments Rollover Act.	Dec. 18, 2014 through June 15, 2016.

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403(b)(9), 414 & 415	Rules on church plans clarified.	Special rules apply with respect to qualified retirement plans that are church plans and to Code Section 403(b) plans that are maintained by churches or qualified church-controlled organizations.	Rules on church plans have been clarified with regard to aggregation rules for groups under common control, limits on contributions and benefits, automatic enrollment, vesting requirements and transfers between plans, and investment in group trusts.	Dec. 18, 2015.
408(d)(8)	Tax-free IRA distributions to charity made permanent.	The IRA distribution rules allow for the tax-free treatment of distributions from IRAs where the distributions are donated to charity. Specifically, a taxpayer over 70 one-half years old may exclude from gross income so much of the aggregate amount of his “qualified charitable distributions” not exceeding $100,000 in a tax year. The tax-free qualified charitable distribution rule only applied to distributions made in tax years beginning no later than Dec. 31, 2014.	The sunset of the tax-free qualified charitable distribution rule is eliminated.	For IRA distributions made after 2014.
408(p)(1)(B)	Permitted rollovers to SIMPLE retirement accounts expanded.	A SIMPLE IRA is an Individual Retirement Account (IRA) or individual retirement annuity available only to small employers. The rules were very restrictive as to rollovers into such a plan.	Rollover contributions to an employee's SIMPLE retirement account are now permitted from: (i) a traditional IRA, (ii) a qualified trust, (iii) a qualified annuity, (iv) a 403(b) tax-sheltered annuity and (v) a governmental section 457 plan.	Contributions made after Dec. 18, 2015.
451(i)(3)	Gain deferral election on qualifying electric transmission transactions.	For dispositions before Jan. 1, 2015, a taxpayer could elect to recognize gain on certain qualifying electric transmission transactions ratably over an eight-year period to the extent the amount realized is used to purchase exempt utility property within four years of the sale date.	The availability of the gain deferral election on qualifying electric transmission transactions is retroactively extended for two years.	Dispositions after Dec. 31, 2014 and before Jan. 1, 2017.

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460(c)(6)(B)(ii)	Extension of percentage of completion rules for long-term contracts.	For purposes of determining the completion percentage under the percentage of completion method of accounting for long-term contracts, Code Section 168(k) is not taken into account with respect to certain qualified property. The qualified property to which the exclusion applies is property that (1) has an MACRS recovery period of seven years or less (the recovery period requirement) and (2) is placed in service during one of two required periods (the timing requirement). The later of two eligibility periods (the second eligibility period) required that the qualified property be placed in service after Dec. 31, 2012 and before Jan. 1, 2015 (after Dec. 31, 2012 and before Jan. 1, 2016 for certain qualified property with a long production period).	The rule for long-term contracts is extended for five years to property placed in service before Jan. 1, 2020 (Jan. 1, 2021 for certain property). This extension conforms the rule to the five-year extension of bonus depreciation and AMT relief for qualified property.	Property placed in service after Dec. 31, 2014.
501(h)(4)(E)	Agricultural research organizations can make lobbying expenditures test election.	A charitable, religious, etc., organization does not qualify for exemption if a substantial part of its activities consists of attempting to influence legislation by propaganda or otherwise. Certain organizations can make the lobbying expenditures test election so that their lobbying and grass roots ceiling amounts are based on a sliding-scale percentage of exempt purpose expenditures. Only the following organizations could make the lobbying expenditures test election: educational institutions; hospitals and medical research organizations; organizations supporting government schools; organizations publicly supported by charitable contributions; organizations publicly supported by admissions, sales, etc. or organizations supporting certain types of public charities.	Agricultural research organizations are allowed to make the lobbying expenditures test election.	For contributions made on and after Dec. 18, 2015.

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506	501(c)(4) organizations must register with IRS.	Organizations seeking tax-exempt status under Code Section 501(c)(4) (e.g., social welfare organizations) were not required to submit a formal exemption application to IRS. Instead, these organizations were exempt if they satisfied the requirements that applied to them. To get certain benefits such as public recognition of their tax-exempt status, exemption from certain state taxes and nonprofit mailing privileges, these organizations voluntarily could request formal IRS recognition of their tax-exempt status.	A Code Section 501(c)(4) organization is required to notify IRS that it is operating as an organization exempt from tax under Code Section 501(c)(4) no later than 60 days after the organization is established. Certain existing organizations must submit the initial notice by June 15, 2016.	501(c)(4) organizations formed after Dec. 18, 2015.
512(b)(13)(E)	Rule mitigating tax-exempt parent's UBTI "specified payments" received from a controlled entity, is made permanent.	"Specified payments" (interest, rents, royalties, and annuities) are generally excluded from the Unrelated Business Taxable Income (UBTI) of tax-exempt organizations, except for certain payments received from a taxable or tax-exempt subsidiary that is 50 percent controlled by the parent tax-exempt organization. A special rule provided that, for payments made under a binding written contract in effect on Aug. 17, 2006 (or a renewal, on substantially similar terms, of a binding written contract in effect on Aug. 17, 2006): the general rule applied only to the portion of payments received or accrued in a tax year that exceeded the amount of the payment that would have been paid or accrued if determined at arm's length; and a 20 precent penalty was imposed. The special rule did not apply to payments received or accrued after Dec. 31, 2014.	The special rule is made permanent, and thus the rule may be applied to payments received or accrued in any tax year beginning after Dec. 31, 2014.	Payments received or accrued after 2014.
529A	Designated beneficiaries may open an ABLE account in any state.	A qualified ABLE account is a tax-advantaged account established under a state's qualified ABLE program and owned by a designated beneficiary who is disabled or blind. A qualified ABLE account could be established only in the state of residence of the account's designated beneficiary.	The requirement that a qualified ABLE account be established only in the state of residence of the account's designated beneficiary is eliminated.	Tax years beginning after Dec. 31, 2014.

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529(c)(3)	Aggregation requirements for taxable QTP distributions are eliminated.	Any distribution from a Qualified Tuition Program (QTP or 529 plan) that isn't used for qualified higher education expenses is includible in the distributee's gross income under the Code Section 72 annuity rules. For purposes of these rules, all QTPs of which an individual was a designated beneficiary were treated as one program to the extent provided by the IRS, and all distributions during a tax year were treated as one distribution except as provided by the IRS.	The rule requiring that all QTPs with the same designated beneficiary be aggregated for purposes of calculating the amount of a distribution that is included in income has been repealed.	Distributions after Dec. 31, 2014.
529(c)(3)(D)	Recontributions of QTP distributions are allowed where higher education expenses have been refunded.	No mechanism was provided for recontributing a distribution to a Qualified Tuition Program (QTP) once it had been received without being taxed on the distribution.	For a beneficiary who receives a refund of qualified higher education expenses from an eligible educational institution, the tax on QTP distributions not used for qualified higher education expenses will not apply to the part of a distribution for the tax year that is recontributed to a QTP of which the individual is a beneficiary, to the extent the recontribution does not exceed the refunded amount. The recontribution must be made not later than 60 days after the date of the refund.	Refunds of qualified higher education expenses after Dec. 31, 2014.
529(e)(3)(A)(iii)	Expanded definition of qualified higher education expenses.	The purchase of computer technology or equipment was a qualified education expense for a Qualifed Tuition Plan (QTP) only if the computer technology or equipment was required for enrollment or attendance at an eligible institution.	“Qualified higher education expenses” include expenses for the purchase of computer or peripheral equipment, computer software or Internet access and related services, if these are to be used primarily by the beneficiary during the years enrolled at an eligible educational institution. Computer software designed for sports, games or hobbies is not a qualified higher education expense unless the software is predominantly educational in nature.	Tax years beginning after Dec. 31, 2014.

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562	Amendments to preferential dividends exclusion for Real Estate Investment Trusts.	Real Estate Investment Trusts (REITs) and Regulated Investment Companies (RICs) are allowed a deduction for dividends paid to their shareholders. In order to qualify for the deduction, a dividend cannot be a preferential dividend. A dividend is preferential unless it is distributed pro rata to shareholders, with no preference to any share of stock compared with other shares of the same class, and with no preference to one class as compared with another except to the extent the class is entitled to a preference. An exception applied for publicly offered RICs, but not for publicly offered REITs.	The disallowance of a deduction for preferential dividends for publicly offered REITs is eliminated.	Distributions in tax years beginning after Dec. 31, 2014.
562(e)(1)	Real Estate Investment Trust (REIT) earnings and profits calculation modified.	Earnings and Profits (E&P) and taxable income are computed under different rules with the result that a corporation's E&P and taxable income for a taxable year may be mismatched. The current E&P of a real estate investment trust (REIT) was not reduced by any amount which was not allowable as a deduction in computing its taxable income for the tax year.	The E&P of a REIT for any taxable year are not reduced by an amount which is not allowable in computing its taxable income for the taxable year *and* was not allowable in computing its taxable income for any prior taxable year.	Taxable years beginning after Dec. 31, 2015.
664(e)	Valuing remainder interest of certain charitable remainder unitrusts upon early termination.	The remainder interest of a Charitable Remainder Unitrust (CRUT) is computed on the basis that an amount equal to 5 percent of the net fair market value of the trust's assets (or a greater amount, if required under the terms of the trust instrument) must be distributed each year. It was unclear whether Net Income Charitable Remainder Unitrusts (NICRUTs) and Net Income Makeup Charitable Remainder Unitrusts (NIMCRUTs) that terminate early, should compute the remainder interest in the same way as a standard CRUT.	For NICRUTs and NIMCRUTs that terminate early, the remainder interest is computed on the basis that an amount equal to 5 percent of the net fair market value of the trust assets (or a greater amount, if the trust instrument requires) is to be distributed each year, and any net income limit is to be disregarded.	For terminations of trusts that occur after Dec. 18, 2015.

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831(b)(2) 831(d)	Rules on nonlife insurance companies' election to be taxed only on investment income are modified after 2016.	Before PATH, nonlife insurance companies with certain written premiums less than $1,200,000 for the taxable year could elect to be taxed, at regular corporate rates, only on their investment income.	The Act added a new clause incorporating subparagraph (B) diversification requirements into the qualifying characteristics non-life insurance companies must have for the subsection to apply. Additionally, it increases the maximum amount of annual premiums from $1,200,000 to $2,200,000 and set forth an annual inflation adjustment to the election threshold dollar amount. Finally, it added a new reporting requirement for every non-life insurance company making the election under Code Section 831(b).	Tax years beginning after Dec. 1, 2016.
857(b)(6)	Prohibited transaction safe harbors modified.	A Real Estate Investment Trust (REIT) is subject to a 100 percent Prohibited Transactions Tax on the net income from prohibited transactions, i.e, the net income from the sale or other disposition of property (other than foreclosure property) held by a REIT that is Code Section 1221(a)(1) inventory property or property held primarily for sale to customers in the ordinary course of its trade or business. Under pre-2015 Protecting Americans from Tax Hikes Act law, a sale was not a prohibited transaction if it satisfied certain safe harbor provisions.	The Act redesignated subparagraphs (b)(6)(G)-(H) to (b)(6)(I)-(J) and added new provisions for determining the three-year average adjusted bases and the three-year average fair market value percentages.	Tax years beginning after Dec. 18, 2015.
857(b)(6)(C)(iii)	Prohibited transaction safe harbors modified.	A Real Estate Investment Trust (REIT) is subject to a 100 percent Prohibited Transactions Tax on the net income from prohibited transactions, i.e, the net income from the sale or other disposition of property (other than foreclosure property) held by a REIT that is Code Section 1221(a)(1) inventory property or property held primarily for sale to customers in the ordinary course of its trade or business. Under the pre-2015 Protecting Americans from Tax Hikes Act law, a sale was not a prohibited transaction if it satisfied certain safe harbor provisions.	The Act amended the subparagraph to add an additional exclusion for trusts using certain measurements of the three-year average adjusted bases and the three-year average fair market value percentages.	Tax years beginning after Dec. 18, 2015.

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857(b)(6)(C)(v)	Treatment of services provided by taxable Real Estate Investment Trust (REIT) subsidiaries modified.	A REIT is subject to a 100 precent Prohibited Transactions Tax (PTT) on the net income from prohibited transactions, i.e, the net income from the sale or other disposition of property (other than foreclosure property) held by a REIT that is Code Section 1221(a)(1) inventory property or property held primarily for sale to customers in the ordinary course of its trade or business. A sale is not a prohibited transaction if it satisfies certain safe harbor provisions.	The Act amended the clause to include the income of a taxable REIT subsidiary.	Tax years beginning after Dec. 31, 2015.
857(b)(6)(D)	Treatment of services provided by taxable Real Estate Investment Trust (REIT) subsidiaries modified.	Provides for the exclusion of certain transactions from the meaning of a prohibited sale.	The Act amended the clause to remove the timeframe limitation of certain expenditures occurring on or before the termination date.	Tax years beginning after Dec. 31, 2015.
857(b)(6) 857(d)(4)	Prohibited transaction safe harbors modified.	A Real Estate Investment Trust (REIT) is subject to a 100 percent Prohibited Transactions Tax on the net income from prohibited transactions, i.e, the net income from the sale or other disposition of property (other than foreclosure property) held by a REIT that is Code Section 1221(a)(1) inventory property or property held primarily for sale to customers in the ordinary course of its trade or business. Under the pre-2015 Protecting Americans from Tax Hikes Act law, a sale was not a prohibited transaction if it satisfied certain safe harbor provisions.	Effective for sales made after Jul. 30, 2008, the tax imposed on income from prohibited transactions is without inference to treatment of inventory property.	Tax years beginning after Dec. 18, 2015.
857(b)(7)(A) 857(b)(7)(E)	Treatment of services provided by taxable Real Estate Investment Trust (REIT) subsidiaries modified.	Imposes tax on income from redetermined rents, deductions and excess interest of REITs.	The 2015 Protecting Americans from Tax Hikes Act provides that the 100 precent excise tax will also apply for redetermined Taxable REIT Subsidaries (TRS) services income and added new provisions for determining income that is redetermined TRS service income.	Tax years beginning after Dec. 31, 2015.

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857(d)(1)	Real Estate Investment Trust (REIT) earnings and profits calculation modified.	Earnings and Profits (E&P) of a corporation determine how distributions by the corporation to its shareholders will be taxed, and in the case of a REIT, may affect the REIT's ability to meet certain minimum distribution requirements and avoid corporate level tax. To qualify and maintain REIT status, a corporation must make dividend distributions to its shareholders equal to, among other things, the sum of 90 precent of the pre-deduction for dividends paid REIT taxable income. This paragraph of the Code prohibits the reduction of earnings and profits by items not includible in a REIT's taxable income.	The Act expanded the items for which a REITs earnings and profits cannot be reduced. Under the 2015 Protecting Americans from Tax Hikes Act, the E&P of a REIT for any taxable year are not reduced by an amount which is not allowable in computing its taxable income for the taxable year, and was not allowable in computing its taxable income for any prior taxable year.	Tax years beginning after Dec. 31, 2015.
857(d)(5)	Real Estate Investment Trust (REIT) earnings and profits calculation modified.	Earnings and Profits (E&P) of a corporation determine how distributions by the corporation to its shareholders will be taxed, and in the case of a REIT, may affect the REIT's ability to meet certain minimum distribution requirements and avoid corporate level tax. This paragraph of the Code provides for the calculation of earnings and profits of a REIT.	The Act clarified special rules for determining earnings and profits for the purposes of the deduction for dividends paid are the same as at Code section 562(e)(1).	Tax years beginning after Dec. 31, 2015.
857(g)	Limitation placed on dividend designations by Real Estate Investment Trusts.	Real estate investment trusts (REITs) are allowed to deduct the dividends they pay, allowing them to pass through their income to their shareholders without a tax at the entity level. REITs are also allowed to pass through the character of capital gains and qualified dividend income that is taxed at capital gains rates to their shareholders.	The 2015 Protecting Americans from Tax Hikes Act provides that the aggregate amount of dividends designated by a REIT as a capital gains dividend or as qualified dividend income cannot exceed the dividends paid by the REIT for that year.	Distributions in tax years beginning after Dec. 31, 2015.
897(c)(1)(B)	A corporation that was a Regulated Investment Company (RIC) or Real Estate Investment Trust (REIT) during the applicable period is not excludable from the definition of a U.S. Real Property Interest (USRPI).	Foreign investors are generally not subject to U.S. tax on U.S. source capital gain unless it is effectively connected with a U.S. trade or business, or it is realized by an individual who meets certain presence requirements. Gain from the disposition of a U.S. Real Property Interest (USRPI), however, is treated as income effectively connected with a U.S. trade or business under the Foreign Investment in Real Property Tax Act (FIRPTA).	The Act prohibits the exclusion of interests in certain corporations that were themselves, or for which their predecessor was a RIC or REIT, during the five-year period preceding the disposition date.	Dispositions on or after Dec. 18, 2015.

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897(h)(4)(A)	Inclusion of Regulated Investment Company (RIC) in the definition of qualified investment entity for certain Foreign Investment in Real Property Tax Act (FIRPTA) purposes made permanent.	Foreign investors are generally not subject to U.S. tax on U.S. source capital gain unless it is effectively connected with a U.S. trade or business, or it is realized by an individual who meets certain presence requirements. Gain from the disposition of a U.S. Real Property Interest (USRPI), however, is treated as income effectively connected with a U.S. trade or business under Foreign Investment in Real Property Tax Act (FIRPTA). A look through rule requires that a qualified investment entity must generally withhold U.S. tax on a distribution to a foreign person or to another qualified investment entity to the extent it is attributable to FIRPTA gain.	The Act expanded the meaning of a Qualified Investment Entity to include regulated investment companies.	Jan. 1, 2015.
897(h)(4)(E)	Exception from Foreign Investment in Real Property Tax Act (FIRPTA) provided for certain stock of Real Estate Investment Trusts.	A foreign person that is not engaged in the conduct of a trade or business in the United States generally is not subject to any U.S. tax on capital gain from U.S. sources, including capital gain from the sale of stock or other capital assets. However, the Foreign Investment in Real Property Tax Act (FIRPTA) generally treats a foreign person's gain or loss from the disposition of a U.S. Real Property Interest (USRPI) as income that is effectively connected with the conduct of a U.S. trade or business, and thus taxable at the income tax rates applicable to U.S. persons, including the rates for net capital gain.	The Act added special ownership rules for determining the holder of stock in subparagraphs (B) and (C).	For dispositions and distributions on or after Dec. 18, 2015.
897(k)	Exception from the Foreign Investment in Real Property Tax Act (FIRPTA) provided for certain stock of Real Estate Investment Trusts.	A foreign person that is not engaged in the conduct of a trade or business in the United States generally is not subject to any U.S. tax on capital gain from U.S. sources, including capital gain from the sale of stock or other capital assets. However, the Foreign Investment in Real Property Tax Act (FIRPTA) generally treats a foreign person's gain or loss from the disposition of a U.S. Real Property Interest (USRPI) as income that is effectively connected with the conduct of a U.S. trade or business, and thus taxable at the income tax rates applicable to U.S. persons, including the rates for net capital gain.	The Act added exclusions for certain types of stock ownership of Real Estate Investment Trusts from U.S. Real Property Interest (USRPI).	For dispositions and distributions on or after Dec. 18, 2015.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
897(l)	Foreign retirement and pension funds are not subject to the Foreign Investment in Real Property Tax Act (FIRPTA).	Foreign investors are generally not subject to U.S. tax on U.S. source capital gain unless it is effectively connected with a U.S. trade or business, or it is realized by an individual who meets certain presence requirements. Gain from the disposition of a U.S. Real Property Interest (USRPI), however, is treated as income effectively connected with a U.S. trade or business under the Foreign Investment in Real Property Tax Act (FIRPTA). Stock or a beneficial interest (other than solely as a creditor) in a U.S. Real Property Holding Corporation (USRPHC) is a USRPI.	The Act added exceptions for interests held by foreign pension and retirement funds.	For dispositions and distributions on or after Dec. 18, 2015.
953(e)	Subpart F exception for active financing income made permanent.	Provides for the certain treatment of insurance company income earned by foreign based companies for the periods beginning in 1998 through Dec. 31, 2014.	The Act made the treatment permanent.	Tax Years beginning after Dec. 31, 2014.
954(c)(6)(C)	Look-through treatment for payments between related Controlled Foreign Corporations (CFCs) under foreign personal holding company income rules extended through 2019.	Provides for a look-through rule for dividends, interest, rents and royalties received or accrued by a foreign personal holding company from a controlled foreign corporation for periods beginning 2005 through Dec 31, 2014.	The Act extended the provisions of the look-through rule to Dec. 31, 2019.	Tax years of foreign corporations beginning after Dec. 31, 2014 and before Jan. 1, 2020.
954(h)	Subpart F exception for active financing income made permanent.	Provides for the certain treatment of foreign base company income for the periods beginning in 1998 through Dec. 31, 2014.	The Act made the treatment permanent.	Tax Years beginning after Dec. 31, 2014.
1016	Qualifying clean coal power grants excluded from gross income.	The Clean Coal Power Initiative provides federal financial assistance (whether in the form of a grant, award or allowance) to those taxpayers meeting the specified criteria.	The Act provides that in the case of an eligible taxpayer other than a corporation, gross income does not include any amount received. An eligible taxpayer is a taxpayer that makes a payment to the Internal Revenue Service (IRS) equal to 1.18 percent of the amount received, at such time and in such manner as IRS prescribes.	Amounts received under Section 402, PL 109-458, Aug. 8, 2005 in taxable years beginning after Dec. 31, 2011.
1202(a)(4)	The 100 percent gain exclusion for Qualified Small Business Stock (QSBS) is retroactively restored and made permanent.	Provides for the exclusion of gain from the sale or exchange of certain Qualified Small Business Stock acquired in years 2010 through 2014.	The Act amended the paragraph to be effective for certain Qualified Small Business Stock acquired in 2010 and thereafter.	Stock acquired after Dec. 31, 2014.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
1367(a)(2)	Rule that S corporation's charitable contribution of property reduces shareholder's basis only by contributed property's basis is permanently extended.	Provides for certain decreases in an S corporation shareholder's basis.	The Act made the decrease in an S corporation shareholder's basis for charitable contributions of property permanent.	Contributions made in tax years beginning after Dec. 31, 2014.
1374(d)(7)	Shortened S corporation built-in gains holding period permanently extended.	Provides for an exception to the 10 year recognition period for imposing tax on certain built-in gains of S corporations for 2009 – 2010 and 2011 – 2014.	The Act limits the recognition period to five years.	Tax years beginning after Dec. 31, 2014.
7508(e)(3)	Collection of taxes from members of the Armed Forces who are hospitalized as a result of combat zone injuries.	In general, for individuals serving in the Armed Forces, that individual's obligation to perform various acts under the tax code, such as filing tax returns, paying taxes or filing a claim for credit or refund of tax, and the Internal Revenue Service's rights with respect to the determination, assessment and collection of that individual's tax liability, are suspended for the following periods: (1) the period during which the individual served in a designated “combat zone” or a “contingency operation,” plus (2) the period, if any, of continuous qualified hospitalization as a result of an injury suffered while serving in a combat zone, plus (3) a 180-day period after the termination of service or hospitalization. The effect of the provisions described above is to extend the 10-year tax collection period for combat zone taxpayers, including those hospitalized as a result of combat injuries.	The collection period for taxpayers hospitalized for combat zone injuries will not be suspended by reason of any period of continuous hospitalization or the 180 days after hospitalization. Accordingly, the collection period expires 10 years after assessment, plus the actual time spent in a combat zone, regardless of the length of the postponement period available for hospitalized taxpayers to comply with their tax obligations (See ORS 314.870 which adopts the provision of Section 7508).	Taxes assessed before, on, or after Dec. 18, 2015.

2016 Consolidated Appropriations Act

Code Section	Topic	Law Before Act	Law After Act	Effective Date
4980I(f)(10)	Cadillac tax will be a deductible business expense.	Federal tax provides a 40 percent excise tax on excess benefits provided to employees. This was a non-deductible item.	The excise tax on excess benefits will be a deductible cost.	Dec. 18, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Fixing America's Surface Transportation Act				
420(b)(4)	Transfers of excess pension plan assets to retiree health accounts.	A “qualified transfer” of excess pension assets from a defined benefit plan to either (i) a health benefits account or (ii) an applicable life insurance account that is part of the plan, does not invoke tax sanctions solely because of the transfer. However, no transfer made after Dec. 31, 2021 was to be treated as a qualified transfer.	The time during which a qualified transfer of excess pension plan assets can be made to retiree health accounts is extended for four years.	July 31, 2015.
1014(f)	Income tax basis of property acquired from a decedent cannot exceed value used to determine estate tax.	Provides rules for determining the basis of property acquired from a decedent.	The Act added subsection (f) requiring the basis to be consistent with the Estate Tax Return.	Property for which an estate tax return is filed after July 31, 2015.
Bipartisan Budget Act of 2015				
430(h)(2)(C)(iv)	25-year pension smoothing for plan funding purposes extended for three years.	In order to determine the required funding to a defined benefit plan, plan sponsors were required to determine interest rates. The rates were determined for a 25-year period, by applying a minimum and maximum percentage, an “interest rate stabilization corridor”, to determine a plan's applicable interest rate. These special provisions allowed plans lower contributions through 2017.	The use of favorable interest rates for determining funding of a defined benefit plan is extended for an additional three years, through 2020. Thereafter, the special provisions are gradually phased out until 2024.	Plan years beginning after 2015.
430(h)(3)(C)(iii)(I)	New rules on retirement plan account mortality tables.	Upon request by the plan sponsor and approval by the Internal Revenue Service (IRS), the plan sponsor of a single-employer defined benefit plan may use a substitute mortality table (instead of the otherwise applicable mortality table prescribed by the IRS) to determine values and funding requirements. There are specific tests for determining whether a substitute table will be approved.	Plan sponsors who request the use of a substitute mortality table must show that a plan's actual experience and projected trends differ materially from current tables.	Plan years beginning after Dec. 31, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
704(e) & 761(b)	Partnership interests created by gift.	The family partnership rules provided that a person was recognized as a partner if he owned a capital interest in a partnership in which capital was a material income-producing factor, whether or not that interest was derived by purchase or gift from any other person. This rule was interpreted by some courts as providing an alternative to the general intent test for partnerships, with the result that taxpayers asserted that they were partners because they owned a capital interest in a partnership, even though their interest did not include any intent to share in the risks and benefits of the partnership venture.	The general definition of a partner is amended to provide that in the case of a capital interest in a partnership in which capital is a material income-producing factor, whether a person is a partner with respect to that interest is determined without regard to whether that interest was derived by gift from any other person. Thus, the family partnership rules were not intended to provide an alternative test for whether a person is a partner in a partnership.	Partnership tax years beginning after Dec. 31, 2015.
771-777	The Tax Equity and Fiscal Responsibility Act (TEFRA) and electing large partnership audit provisions are repealed and replaced.	Partnership audits were conducted under procedures that were enacted as part of the The Tax Equity and Fiscal Responsibility Act of 1982 (the TEFRA rules). Disputes as to the tax treatment of partnership items and affected items were resolved at the partnership level in a unified proceeding, while nonpartnership items are determined in separate proceedings with the individual partners. Tax deficiencies, penalties and interest are assessed at the partner level. Simplified audit procedures applied to Electing Large Partnerships (ELPs).	The TEFRA and ELP rules are repealed and replaced with a new, single set of audit rules. Each partnership will designate a partner (or other person) with a substantial presence in the U.S. to be the partnership representative with the power to bind the partnership and its partners.	Returns filed for tax years beginning after Dec. 31, 2017.

Surface Transportation and Veterans Health Care Choice Improvement Act of 2015

Code Section	Topic	Law Before Act	Law After Act	Effective Date
223(c)(1)(C)	Veterans' Health Savings Account (HSA) eligibility not affected by receipt of medical care for service-connected disability.	A Health Savings Account (HSA) can only be established for the benefit of an “eligible individual.” An eligible individual is someone who, among other things, is covered under a High Deductible Health Plan (HDHP), and is not covered under any health plan which is not an HDHP, nor a plan which provides coverage for any benefit that is covered under the HDHP.	An individual will not fail to be treated as an eligible individual for any period merely because the individual receives hospital care or medical services under any law administered by the Secretary of Veterans Affairs for a service-connected disability.	Jan. 1, 2016.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Trade Preferences Extension Act of 2015				
222(d)(6)	Payee statement is required to claim a higher education credit or tuition and fees deduction.	Individual taxpayers are allowed an income tax credit (the “higher education credit” or “education credit”) for the higher education expenses at accredited and post-secondary educational institutions they pay for themselves, their spouses and any dependents for whom they claim a personal exemption. Alternatively, for tax years beginning before 2017, most taxpayers may claim an above-the-line deduction (the “tuition and fees deduction”), up to a maximum deduction amount.	Unless otherwise provided by the Internal Revenue Service (IRS), no education credit or tuition and fees deduction is allowed unless the taxpayer receives a written statement (i.e., a payee statement, Form 1098-T) that contains the student's taxpayer identification number and the aggregate amount paid by, or billed to, each student for qualified tuition and related expenses for the tax year.	Tax years beginning after June 29, 2015.
Don't Tax Our Fallen Public Safety Heroes Act				
104(a)(6)	Certain compensation received by public safety officers and their dependents is excluded from gross income.	Benefits were taxable.	An exclusion from gross income for amounts received relating to the payment of benefits when a public safety officer has died, or become permanently and totally disabled, as the direct and proximate result of a personal injury sustained in the line of duty or a program established under the laws of any state which provides monetary compensation for surviving dependents of a public safety officer who has died as the direct and proximate result of a personal injury sustained in the line of duty. However, this exclusion will not apply to any amounts that would have been payable if the death of the public safety officer had occurred other than as the direct and proximate result of a personal injury sustained in the line of duty.	May 22, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Slain Officer Family Support Act of 2015				
170	Contributions earmarked for families of slain New York Police Department (NYPD) detectives Liu and Ramos qualify for deduction.	To be deductible, a taxpayer's contributions or gifts must be made to a Code Section 170(c) charitable organization. No charitable deduction may be taken for amounts donated to individuals. In addition, contributions that are earmarked or are received by a charity under an understanding or commitment that they be used for a specific individual don't qualify for deduction.	The 2015 Slain Officer Family Support Act provides that a cash contribution made for the relief of the families of slain New York Police Department detectives Wenjian Liu and Rafael Ramos will not fail to qualify for a charitable deduction merely because it is for the exclusive benefit of those families. However, gifts made directly to the families, i.e., not through a charitable organization, are not deductible.	Contributions made after Dec. 19, 2014 and contributions after Dec. 31, 2014 and before April 16, 2015.
170(f)(17)	Phone bill satisfies recordkeeping requirement for contributions made by text message for families of slain New York Police Department (NYPD) detectives Liu and Ramos.	Stricter substantiation rules apply to contributions (cash or noncash) of $250 or more. No charitable deduction is allowed unless substantiated by a contemporaneous written acknowledgment from the donee organization.	For cash contributions for which a charitable contribution deduction is allowable for the relief of the families of slain NYPD detectives Wenjian Liu and Rafael Ramos, a telephone bill showing the name of the donee organization, and the date and amount of the contribution is treated as meeting the recordkeeping requirement.	April 1, 2015.

Section B

No ORS change necessary: No change is necessary to the ORS. This provision affects a credit, penalty or administrative rule which applies only to the Federal tax system, does not apply to the determination of taxable income, or is automatically modified by provisions in the ORS. Oregon does not automatically adopt these provisions, however, no modification of ORS is necessary. We have noted with an asterisk (*) items that may be of interest and warrant further consideration by Oregon.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Protecting Americans from Tax Hikes Act of 2015				
24(d)	Enhanced refundable Child Tax Credit (CTC) is made permanent.	Lower threshold for refundable portion of CTC was temporary through 2017.	Threshold is now permanent.	Tax years beginning after Dec. 18, 2015.
24(e)	Child Tax Credit (CTC) can't be claimed unless taxpayer and qualifying child have Individual Taxpayer Identification Number (ITIN) by return due date.	Taxpayer ID numbers are required to claim CTC, but there are no rules about when the ID numbers had to have been issued.	Child Tax Credit is not allowed if the taxpayer or qualifying child taxpayer ID number is issued after the due date for filing the return for the tax year.	Original or amended returns filed after Dec. 18, 2015.
24(g)	Restrictions are placed on taxpayers who improperly claimed Child Tax Credit (CTC) in earlier year.	No disallowance rules existed prior to new law.	Disallowance rules in place for Earned Income Credit now apply to CTC in cases of intentional disregard of rules, fraud or deficiency procedures.	Tax years beginning after Dec. 31, 2015.
25A(g)(1) & (i)(6)	Taxpayer's and student's Individual Taxpayer Identification Numbers (ITINs) must be issued by return filing due date to claim American Opportunity Tax Credit (AOTC).	Taxpayer ID numbers are required to claim AOTC, but there are no rules about when the ID numbers had to have been issued.	AOTC is not allowed if the taxpayer or student ID number is issued after the due date for filing the return for the tax year.	For any tax return, and any amendment or supplement to a tax return, filed after Dec. 18, 2015.
25A(i)(6)	American Opportunity Tax Credit (AOTC) for higher education expenses is made permanent.	AOTC was increased and expanded from 2009 through 2017.	Pre-law rules made permanent.	Tax years beginning after Dec. 18, 2015.
25A(i)(6)(C)	Taxpayers must provide educational institution's Employer Identification Number (EIN) to claim the American Opportunity Tax Credit (AOTC).	No reporting requirement was imposed with respect to the identity of the educational institution.	Taxpayer must include EIN of any institution attended by the individual to whom the credit relates.	Tax years beginning after 2015.
25A(i)(7)	No American Opportunity Tax Credit (AOTC) is allowed for 10 years for any taxpayer who fraudulently claimed the credit; for two years, for reckless or intentional disregard of rules and regulations.	No disallowance rules existed prior to new law.	Disallowance rules in place for Earned Income Credit now apply to AOTC in cases of intentional disregard of rules, fraud or deficiency procedures.	Tax years beginning after Dec. 31, 2015.
25C(c)(1) & (g)(2)	Nonbusiness energy property credit is retroactively extended for two years through 2016 and windows and doors must meet Version 6.0 Energy Star requirements to qualify for nonbusiness energy property credit.	Nonbusiness energy property credit was not available for property placed in service after Dec. 31, 2014.	Credit is now available for property placed in service through Dec. 31, 2016. Also, new requirements exist for determining which property is eligible for the credit.	Property placed in service after Dec. 31, 2015.

Section B

Code Section	Topic	Law Before Act	Law After Act	Effective Date
30A	Possessions tax credit for American Samoa extended through 2016.	Federal law provided a credit for tax paid to American Samoa for corporations that met certain qualified domestic production activities. The law expired at the end of 2014.	Law extended for tax years beginning before Jan. 1, 2017.	Tax years beginning after Dec. 31, 2014 and before Jan. 1, 2017.
30B(k)(1), 30C(g) & 30D(g)	Qualified fuel cell motor, alternative fuel and two-wheeled plug-in elective vehicle credit is retroactively restored and extended to property placed in service before Jan. 1, 2017.	Qualifying property had to be purchased by Dec. 31, 2014 to be eligible for credit.	Credit extended for two years through Dec. 31, 2016.	Property placed in service after Dec. 31, 2014 and before Jan. 1, 2017.
38(c)(4)(B) & (D)	Eligible small businesses can offset Alternative Minimum Tax (AMT) liability with research credits and Indian coal production credits.	Taxpayer was entitled to credits, but the credit could not offset AMT liabilities.	The credits are now allowable against AMT liabilities.	Credits determined for tax years beginning after Dec. 31, 2015.
40(b)(6)(J)(i) & 40A(g)	Second generation biofuel producer credit is retroactively restored and extended to production before Jan. 1, 2017.	Federal law provided a tax credit for certain cellulosic biofuel producers and the use of biodiesel and renewable fuels.	These credits were extended for an additional two years through 2016.	Qualified second generation biofuel produced, sold or used after Dec. 31, 2014 and before Jan. 1, 2017.
41(h) & 45C(b)(1)(D)	Research credit is retroactively restored and permanently extended.	Federal law provided for a tax credit for certain research costs, but it had expired on Dec. 31, 2014.	The Federal credit was permanently extended. Oregon has a similar credit (ORS 317.152 through 317.154) that is a percent of the Federal credit. Oregon rule currently references amounts paid in tax years before Jan. 1, 2018.	Amounts paid or incurred after Dec. 31, 2014.
42(b)(2)	Minimum low-income housing credit rate, for non-federally subsidized new housing, is retroactively restored and made permanent.	Federal law provided a tax credit for certain low-income housing costs based on applicable percentage of nine percent through 2014.	Federal credit based on nine percent applicable percentage made permanent.	Allocations made after Dec. 31, 2014.
42(g)(4)	Military housing allowance exclusion for tax-exempt bond financing and low-income housing credit is retroactively restored and made permanent for income determinations.	Federal law provided that certain military housing qualified for tax exempt bond financing.	Federal exclusion for purposes of low-income housing tax credit buildings made permanent.	Income determinations made after July 30, 2008.
45(d)	Renewable electricity production credit is retroactively restored and extended for certain qualified facilities for which construction begins before Jan. 1, 2017.	Federal law provides tax credits for electricity produced from renewable energy resources. Construction on facilities was qualified only if it began before Jan. 1, 2015.	Facilities are qualified if construction begins before Jan. 1, 2017, resulting in a two-year extension.	Certain qualified facilities for which construction begins after Dec. 31, 2014 and before Jan. 1, 2017.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
45(d) & (e)	Indian coal facility pre-2009 placed-in-service limitation and prohibition on any sales of Indian coal to related persons no longer apply for purposes of the Indian coal production credit.	Coal produced from reserves that were owned by an Indian tribe are taken in to account for a tax credit that expired for 2015.	Credit availability is extended through 2016 and expanded in a variety of ways.	Coal produced and sold after Dec. 31, 2015.
45A(f) & 45C(b)(1)(D)	Indian employment credit for wages paid to qualified Native Americans is retroactively restored and extended to tax years beginning before Jan. 1, 2017.	Credit was not available after Dec. 31, 2014.	Credit restored and extended through 2016.	Tax years starting after Dec. 31, 2014 and before Jan. 1, 2017.
45	New Markets Tax Credit is retroactively restored and extended to apply through Dec. 31, 2019.	Various federal credits, such as New Markets, Railroad Track Maintenance and Mine Rescue, expired.	Various federal credits retroactively restored and extended.	Calendar years beginning after Dec. 31, 2014 and before Jan. 1, 2020.
48(a)(5)(C)(ii)	Energy credit is retroactively restored and extended for qualified investment credit facilities for which construction begins before Jan. 1, 2017.	Taxpayers can elect to treat facilities as energy property, but it was not available if construction began after Dec. 31, 2014.	Protecting Americans from Tax Hikes Act restoration and extension restores credit for two years and is for construction beginning before Jan. 1, 2017.	Qualified investment credit facilities for which construction begins after Dec. 31, 2014 and before Jan. 1 , 2017.
51(c)(4) & (d)	Work Opportunity Tax Credit (WOTC) is retroactively restored and extended to apply for qualified wages paid or incurred by the employer to all individuals who belong to a targeted group and begin working for the employer before Jan. 1, 2020.	The Work Opportunity Tax Credit (WOTC) is available on an elective basis to an employer for a percentage of limited amounts of wages paid or incurred by the employer to individuals who belong to a “targeted group.” The credit was available through Dec. 31, 2014.	Credit is restored and extended for five years through 2019 and now includes long-term unemployment recipients as a targeted group.	Individuals who begin work for the employer after Dec. 31, 2014 and before Jan. 1, 2020.
54E(c)(1)	Qualified Zone Academy Bond program is extended through 2016.	Qualified Zone Academy Bonds (QZABs) are a type of qualified tax credit bond entitling the holder to a nonrefundable tax credit. The amount of QZABs that can be issued for a calendar year is subject to a national limitation. The Internal Revenue Service (IRS) allocates this limitation among the states, the District of Columbia, and U.S. possessions based on the percentage of individuals below the poverty line in their respective populations. A state can carry over any unused limitation for up to two years.	Retroactively extends the QZAB program for calendar year 2015 and authorizes the issuance of up to $400 million of QZABs for 2015 and 2016.	Obligations issued after Dec. 31, 2014 and before Jan. 1, 2017

Code Section	Topic	Law Before Act	Law After Act	Effective Date
55(b)	A 23.8 percent tax rate applies to a corporation's qualified timber gain for its tax year that begins in 2016.	For C corporations, there was an inability of C corporations to enjoy favorable tax rates for capital gain transactions. For qualified timber gain, the new provisions allows C corporations a benefit already provided to non-corporate taxpayers, for which favorable capital gains rates are generally available, and corporations, such as S corporations, that can pass through their capital gains to shareholders for which favorable capital gains rates are generally available.	Applies the alternative tax on net capital gains for any tax year beginning in calendar year 2016 for which a corporation has both a net capital gain and "qualified timber gain." Under the alternative tax, the qualified timber gain is taxed at a rate of 23.8 percent.	Tax years beginning after Dec. 31, 2015.
72(t)	Penalty-free early plan withdrawals for certain public safety officers expanded to include others.	A 10 percent penalty tax applies to premature distributions from a qualified retirement plan. Specifically, if a taxpayer takes an "early withdrawal" from a "qualified retirement plan," the taxpayer's income tax for the tax year in which that amount is received is increased by an amount equal to 10 percent of the portion of the amount that is includible in gross income. However, an exception applied to certain public safety officers.	The acts expanded the definiton of public safety employees to include a number of expanded categories of public safety officers.	Distributions after Dec. 31, 2015.
142(d)(B)(ii)	Military housing allowance exclusion for tax-exempt bond financing and low income housing credit is retroactively restored and made permanent for income determinations.	The 2008 Housing Act added Code Section 142(d)(2)(B)(ii), which excludes certain basic military housing allowances under 37 U.S. Code Section 403 made with respect to any qualified building from the definition of gross income for purposes of determining Area Median Gross Income (AMGI) under the tax-exempt bond financing rules and for purposes of determining the low income housing credit. Thirty-Seven U.S. Code Section 403 authorizes payment of a Basic Allowance for Housing (BAH) to members of the U.S. Armed Forces. The BAH is a monthly payment based on civilian rental costs by pay grade, dependency status and location. So, any amount paid as a BAH to a service member occupying a unit in a "qualified building" (i.e., military housing meeting certain requirements) was not included in the member's income for purposes of determining whether the building meets the applicable set-aside test to be a "qualified residential rental project." That is, the BAH would not cause the building to not qualify for tax-exempt bond financing.	The Act retroactively amends the 2008 Housing Act to extend the application of Code Section142(d)(2)(B)(ii) income exclusion to income determinations on a permanent basis. That is, the provision retroactively extends the special rule excluding BAH from income permanently.	Income determinations made after July 30, 2008.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
856(c)(3)(H)	Real estate assets definition amended.	Provides the requirements an entity must have in order to meet the definition of a real estate investment trust.	The Act added language that prohibits using income from the sale or other disposition of a nonqualified publicly offered Real Estate Investment Trusts (REIT) debt instrument when determining the minimum amount of income required by Subparagraph (c)(3).	Tax years beginning after Dec. 31, 2015.
856(c)(4)(B)(ii)	A Real Estate Investment Trust's interest in taxable Real Estate Investment Trust (REIT) subsidiaries will be limited to 20 percent of assets for tax years beginning after 2017.	Provides the requirements an entity must have in order to meet the definition of a Real Estate Investment Trust.	The Act decreased the percentage of value that an entity's total assets must be represented by the securities of taxable REIT subsidiaries in order to meet the definition of a REIT from 25 percent to 20 percent.	Tax years beginning after Dec. 31, 2017.
856(c)(4)(B)(iii)	Real estate assets definition amended.	Provides the requirements an entity must have in order to meet the definition of a real estate investment trust.	The Act limited the percentage of value that an entity's total assets can be represented by nonqualified publicly offered Real Estate Investment Trust (REIT) debt instruments to 25 percent in order to meet the definition of a REIT.	Tax years beginning after Dec. 31, 2015.
856(c)(5)(B)	Real estate assets definition amended.	Provides for the meaning of "real estate assets."	Amends the definition of real estate assets to also include debt instruments issued by publicly offered Real Estate Investment Trusts and provides that interests in mortgages on real property are treated as real estate assets.	Tax years beginning after Dec. 31, 2015.
856(c)(5)(G)	Types of hedging income excluded from Real Estate Investment Trust (REIT) gross income for purposes of the REIT gross income tests expanded.	Provides for the treatment of certain hedging instruments of REITs.	The Act added clause (iv) clarifying the requirements set forth in the subparagraph are only applicable to transactions that satisfy the identification requirements of Code Section 1221(a)(7).	Tax years beginning after Dec. 31, 2015.
856(c)(5)(L)	Real estate assets definition amended.	No such provision.	The Act added subparagraph (c)(5)(L), providing definitions for (i) publicly offered Real Estate Investment Trusts and (ii) nonqualified publicly offered Real Estate Investment Trust debt instruments.	Tax years beginning after Dec. 31, 2015.
856(c)(8)	Tax-free spinoffs involving Real Estate Investment Trusts are restricted.	No such provision.	The Act added a provision to prohibit corporations from making certain distributions eligible for the Real Estate Investment Trust (REIT) election for 10 years from the date of distribution.	Distributions after Dec. 6, 2015.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
856(e)(4)(C)	Treatment of services provided by taxable Real Estate Investment Trust (REIT) subsidiaries modified.	Provides the period of time which a property will ceasing being considered a foreclosure property.	The Act clarified that income received by a taxable REIT subsidiary is considered income received by the REIT itself regarding a property's foreclosure status within the meaning of the section.	Tax years beginning after Dec. 31, 2015.
871(k)(1)(C) 871(k)(2)(C)	Withholding tax exemption for Regulated Investment Company (RIC) interest-related dividends and short-term capital gains dividends paid to foreign persons is permanently extended.	Provides for the exemption of certain dividends of regulated investment companies from the tax imposed on nonresident alien individuals within the section.	The Protecting Americans from Tax Hikes Act removed the termination provision pertaining to the exclusion of dividends from the term "interest related dividends."	Tax years beginning after Dec. 31, 2014.
936	Possessions tax credit for American Samoa extended through 2016.	Provides for the Puerto Rico and possession tax credit.	The Act extends the American Samoa Economic Development Tax Credit and amends certain time periods for qualification rules contained within the section.	Tax years beginning after Dec. 31, 2014 and before Jan. 1, 2017.
1201(b)	A 23.8 percent tax rate applies to a corporation's qualified timber gain for its tax year that begins in 2016.	Provides for a special alternative rate for qualified timber gains when a corporation has both a new capital gain and a qualified timber gain, effective for periods beginning one year after the date of enactment of the Food, Conservation and Energy Act of 2008.	The Act amended the section to be effective for tax years beginning after Dec. 31, 2015.	Tax years beginning after Dec. 31, 2015.
1391(d)(1)(A)(i)	Empowerment zone designation period is retroactively restored and extended through Dec. 31, 2016.	Provides for the period of time for which an area may be designated an empowerment zone.	The Act extends the period of time to Dec 31, 2016.	Tax years beginning after 2014 and before Jan. 1, 2017.
1394(b)(3)(B)(i)-(iii), 1394(b)(3)(C), 1394(b)(3)(D)(iii)	Employee-residents of a qualified low-income community can meet the 35 percent resident employee percentage requirement to allow a business to qualify as a qualified business entity or proprietorship for purposes of the tax-exempt enterprise zone facility bond rules.	Provides for businesses located in enterprise communities to be included within the meaning of an Enterprise Zone Business for the purposes of this section.	The Act set forth a special rule allowing employee-residents of an enterprise community or qualified low-income community to be treated as a resident of an empowerment zone, provides for the meaning of a "qualified low-income community" and for the meaning of "Applicable Nominating Jurisdiction" with respect to any empowerment zone or enterprise community. The Act also added employee-residents of a qualified low-income community to the post-testing period reduced requirements of an enterprise zone business.	Bonds issued after Dec. 31, 2015.
1445(a) 1445(e)(3)-(5)	Rate of withholding for the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) was increased to 15 percent.	Requires the withholding of tax on various transactions of U.S. real property interests held by foreign persons or entities.	The Act increased the required rate of withholding to 15 percent.	Dispositions after Feb. 16, 2016.

Section B

Code Section	Topic	Law Before Act	Law After Act	Effective Date
1445(c)(4)	Reduced the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA) withholding rate of 10 percent.	No such provision.	Provides for a reduced rate of withholding of 10 percent on proceeds from the disposition of certain residences that do not qualify for exemption under subparagraph (b) where the amount realized does not exceed $1 million.	Dispositions after Feb. 16, 2016.
1445(f)(3)	Foreign retirement and pension funds are not subject to the Foreign Investment in Real Property Tax Act of 1980 (FIRPTA).	Provides for the meaning of a foreign person for purposes of withholding tax on dispositions of U.S. real property interest.	The Act provides for the exclusion of a certain foreign retirement and pension funds from the meaning of a foreign person for purposes of the section.	Dispositions and distributions after Dec. 18, 2015.
2501(a)(6)	Gift tax does not apply to transfers of money or property to: civic leagues and social welfare organizations; labor, agricultural and horticultural organizations or business leagues.	No such provision.	The Act provides for the exclusion of transfers of money or other property to certain exempt organizations from the imposition of the gift tax.	For gifts made after Dec. 18, 2015.
3512 3121(a)(1) 3306(b)(1)	All remuneration paid by a motion picture project employer to a motion picture project worker during the year is subject to single FICA OASDI and single FUTA wage base.	No such provision.	The Act requires all remuneration paid by the motion picture project employer (e.g., a qualifying payroll service company) to a motion picture project worker during the calendar year be subject to a single OASDI wage base and a single FUTA wage base, without regard to the worker's status as a common-law employee of multiple clients of the motion picture project employer during the year.	For remuneration paid after Dec. 31, 2015.
6015(e)(6)	Time for filing a petition for Tax Court review of Internal Revenue Service (IRS) denial of spousal relief is suspended during the period of the bankruptcy automatic stay plus 60 days.	Federal law provides rules regarding the date for the filing of a petition for innocent spouse relief.	This provision provides an extension for filing a petition with respect to innocent spouse relief.	Petitions filed after Dec. 18, 2015.
6031(b)	Consistency requirement for a partner's tax return for post-2017 partnership returns.	A partner must treat a partnership item on its return in a manner that is consistent with the treatment on the partnership return. This consistency requiement does not apply if the partner files a statement wtih the tax return identifying the inconsistency.	The consistency requirement has been expanded to cover all items of income, gain, loss, deduction or credit from the partnership.	Returns filed for partnership tax years beginning after Dec. 31, 2017.
6031(b)	Repeal of the Tax Equity and Fiscal Responsibility Act (TEFRA) and electing large partnership audit provisions-related provisions.	Federal law provided special audit rules applicable to partnerships which either have a large number of partners or certain types of partners.	Federal law has been revised, repealing the unified partnership audit rules, and provides replacement rules.	Returns filed for tax years beginning after Dec. 31, 2017.

Section B

Code Section	Topic	Law Before Act	Law After Act	Effective Date
6033(f)	Section 501(c)(4) organizations must register with Internal Revene Service (IRS).	Unlike most Section 501(c)(3) organizaitons, Section 501(c)(4) social welfare organizations were not required to submit a formal exemption application.	Every Code Section 503(c)(4) organization must notify the IRS of its operations no later than 60 days after the organization is established.	Section 501(c)(4) organizations formed after Dec. 18, 2015.
6045(g)(2)(B)(iii)	Brokers are not required to correct a customer's adjusted basis in securities in the case of de minimis errors on information returns.	Brokers required to provide information reporting the gross proceeds for a security must also provide the customer's adjusted basis. Penalties are proved for providing incorrect information.	Rules have been updated as to when penalties apply.	Returns required to be filed, and payee statements required to be provided, after Dec. 31, 2016.
6050S	Only qualified tuition and related expenses actually paid can be reported on higher education inforamtion returns.	Prior Federal law required the institutions receiving tuition payments must report either (1) payments billed or (2) payments received.	New Fedeal law requires these reports show tuition payments received, not when they are billed.	Expenses paid after Dec. 31, 2015.
6051(a)(2)	Internal Revenue Service (IRS) authority to require truncated social security numbers on Form W-2 extended.	A person must report on Form W-2, the amount of wages paid, along with the employee's name and Social Security number.	New rules provide that employers provide an "indentifying number", instead of a Social Security number.	Dec. 18, 2015.
6071	Filing due date is accelerated for employee wage information and nonemployee compensation.	Employers must provide informatin returns for compensation paid. This information was due by Feb. 28, unless the return was filed electronically, in which case the due date was March 31.	The due date of these filings was rolled forward to Jan. 31.	Calendar years beginning after Dec. 18, 2015.
6103(e)(11)	Persons who told the Internal Revenue Service (IRS) about Code Section 7213, Code Section 7213A or Code Section 7214 violations with respect to their return or return information can find out whether any investigations, actions or referrals have been made as a consequence.	Certain persons who told the IRS about Code Section 7213, Code Section 7213A or Code Section 7214 violations with respect to their return or return information can find out whether any investigations, actions or referrals have been made as a consequence.	Persons who told IRS about Code Section 7213, Code Section 7213A or Code Section 7214 violations with respect to their return or return information, or their designees, can find out whether any investigations, actions or referrals have been made as a consequence.	Disclosures made on or after Dec. 18, 2015.
6109	The Treasury Inspector General for Tax Administration (TIGTA) must conduct a biennial audit and Internal Revenue Service (IRS) must conduct a study of the Individual Taxpayer Identification Number (ITIN) application process.	No provision.	The Treasury is now required to audit and study the IRS program for issuing ITINs and the effectiveness of the application processes.	Dec. 18, 2015.
6109(i)	Requirements for the issuance of Individual Taxyaper Identification Numbers are modified.	Every taxpayer must be identified by an identifying number. For most individuals it is the Social Security number. Individuals who are not elegible for a Social Security number can request an Individual Taxpayer Identification Number (ITIN).	Federal law has been revised as it relates to the issuance of ITINs, and the term of the ITIN.	Applications for ITINs made after Dec. 18, 2015.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
6213(g)(2)(K)	Earned Income Credit (EIC) claim by taxpayer barred due to reckless or intentional disregard of EIC rules or fraud is math error.	If a tax return contains a mathematical or clerical error relating to the EIC, the Internal Revenue Service (IRS) can summarily assess the additional tax due. The required notice is not a 90-day letter so the IRS can contest the assessment in the Tax Court. A taxpayer who erroneously claims the credit due to recklessness or intentional disregard of the rules is ineligible to claim the credit for a period of two years.	In the event that a taxpayer has been barred from claiming the EIC, but still claims the credit, the IRS has the authority to make a summary assessment.	Tax years beginning after Dec. 31, 2015.
6213(g)(2)(O)	Inclusion of expired, revoked or otherwise invalid Individual Taxpayer Identification Number (ITIN) is "mathematical or clerical error" for summary assessment purposes.	If a tax return includes an invalid ITIN, the Internal Revenue Service (IRS) can summarily assess the tax.	Similar to the Earned Income Credit (EIC) issue above.	Applications for ITINs made after Dec. 18, 2015.
6213(g)(2)(P)	Restrictions are placed on taxpayers who improperly claimed the Child Tax Credit (CTC) in an earlier year.	Federal law provides a Child Tax Credit.	Similar to above relating to the Earned Income Credit (EIC), a taxpayer that claims a CTC due to recklessness or intentional disregard of the rules can be barred from claiming the CTC for two years.	Tax years beginning after Dec. 31, 2015.
6213(g)(2)(Q)	No American Opportunity Tax Credit (AOTC) is allowed for 10 years for taxpayers who fraudulently claimed the credit; for two years, for reckless or intentional disregard of rules and regulations.	Federal law provides for an American Opportunity Tax Credit.	Similar to above relating to the Earned Income Credit (EIC), a taxpayer that claims an AOTC due to recklessness or intentional disregard of the rules can be barred from claiming the AOTC for two years, or if the credit is claimed fraudulenlty, for a period of 10 years.	Tax years beginning after Dec. 31, 2015.
6330(d)(1) & 6330(d)(2)	Time for filing a petition for Tax Court review of levy and other collection actions is suspended during the period of the bankruptcy automatic stay plus 30 days.	Prior Federal laws allowed person to appeal, within 30 days of determination letter in a Collection Due Process (CDP) hearing, the determination to the Tax Court.	The provision suspends the statute of limitations in cases involving spousal relief or collections when a bankruptcy petition has been filed and a taxpayer is prohibited from filing a petition for review by the Tax Court. Under the provision, the suspension is for the period during which the taxpayer is prohibited from filing such a petition, plus 60 days.	Petitions filed after Dec. 18, 2015.
6402(m)	The Internal Revenue Service (IRS) has extended time to review refund claims based on refundable part of Child Tax Credit (CTC) and Earned Income Credit (EIC).	Existing law provided no special rule to give the IRS additional time to review refund requests which involve a Child Tax Credit (CTC) or Earned Income Credit (EIC).	The provision also provides additional time for the IRS to review refund claims based on the Earned Income Tax Credit and the refundable portion of the Child Tax Credit in order to reduce fraud and improper payments.	Credits or refunds made after Dec. 31, 2016.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
6404(h)	Taxpayer may seek Tax Court review of interest abatement claim when the Internal Revenue Service (IRS) fails to issue a final determination.	The Tax Court had jurisdiction over any action brought by taxpayers in situations where the IRS failed to abate interest. This jurisdiction did not apply unless the IRS mailed a final determination not to abate the interest.	The provision permits a taxpayer to seek review by the Tax Court of a claim for interest abatement when the IRS has failed to issue a final determination.	Claims for abatement of interest filed with IRS after Dec. 18, 2015.
6652(c)(4)	Section 501(c)(4) organizations must register with the Internal Revenue Service (IRS).	Unlike most Section 501(c)(3) organizaitons, Section 501(c)(4) organizations (social welfare organizations) were not required to submit a formal exemption application.	Every Section 503(c)(4) organization must notify the IRS of its operations no later than 60 days after the organization is established.	Section 501(c)(4) organizations formed after Dec. 18, 2015.
6664(a) & 6676	Treatment of credits modified for purposes of accuracy-related, 2015 fraud and erroneous claims penalties.	Tax law imposes an accuracy-related or fraud penalty on certain underpayments of tax.	The provision applies the 20 percent penalty for erroneous claims under current law to the refundable portion of credits (reversing the Tax Court decision in Rand v. Commissioner). The provision also eliminates the exception from the penalty for erroneous refunds and credits that currently applies to the Earned Income Tax Credit, and the provision provides reasonable-cause relief from the penalty.	Tax returns and claims filed after Dec. 18, 2015.
6694(b)(1)(B)	Tax preparer penalty for willful or reckless conduct increased to a minimum of 75 percent of income derived as to the return.	The penalty for tax preparers who engage in willful or reckless conduct, which is currently the greater of $5,000 or 50 percent of the preparer's income with respect to the return.	The provision expands the penalty for tax preparers who engage in willful or reckless conduct, by increasing the 50 percent amount to 75 percent.	Tax returns prepared for tax years ending after Dec. 18, 2015.
6695(g)	Penalty for lack of due diligence by return preparer extended to determinations of eligibility for Child Tax Credit (CTC) and American Opportunity Tax Credit (AOTC).	Federal law provides paid-preparer due diligence requirements with respect to the Earned Income Tax Credit (EITC), and the associated $500 penalty for failures to comply.	The provision expands the paid-preparer due diligence requirements with respect to the Earned Income Tax Credit (EITC) to cover returns claiming the Child Tax Credit and American Opportunity Tax Credit (AOTC). The provision also requires the IRS to study the effectiveness of the due diligence requirements and whether such requirements should apply to taxpayers who file online or by filing a paper form.	Tax years beginning after Dec. 31, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
6721(c)(3)	Safe harbor for de minimis errors on information returns and payee statements.	No safe harbor for errors on information returns.	Under the safe harbor, if the error for any single amount is $100 or less ($25 or less in the case of errors involving withholding), the issuer of an information return or payee statement is not required to file a corrected return. The provision contains an exception whereby the recipient of an incorrect payee statement can elect to have a corrected return issued.	Information returns required to be filed, and payee statements required to be furnished, after Dec. 31, 2016.
6722(c)(3)	Safe harbor for de minimis errors on information returns.	A 2016 Act increased the penalties on failure to file correct, or late, returns or statements.	The new law provides an exception where errors on any information returns are for income of less than $100 or tax of less than $25.	For returns and statements required to be filed after Dec. 31, 2016.
7123(c)	Internal Revenue Service (IRS) appeals are allowed for organizations that receive adverse determination of tax-exempt status.	Previous tax law provided no procedures under which an organization could request an administrative appeal of an adverse determination as to tax exempt status.	The provision requires the IRS to create procedures under which a Section 501(c) organization facing an adverse determination may request administrative appeal to the IRS Office of Appeals. This includes determinations relating to the initial or continuing classification of (1) an organization as tax-exempt under Code Section 501(a); (2) an organization under Code Section 170(c)(2); (3) a private foundation under Code Section 509(a) or (4) a private operating foundation under Code Section 4942(j)(3).	Determinations made on or after May 19, 2014.
7428(a)(1)(E)	Declaratory judgment procedure that is available for Section 501(c)(3) organizations is extended to other Section 501(c) and Section 501(d) exempt organizations.	Rules apply to Section 501(c)(3) organizations who wish to seek a declaratory judgement of its initial, or continuing, classification as an organization exempt from tax.	The provision permits Section 501(c)(4) organizations and other exempt organizations to seek review in Federal court of any revocation of exempt status by the Internal Revenue Service (IRS).	Pleadings filed after Dec. 18, 2015.

2016 Consolidated Appropriations Act

Code Section	Topic	Law Before Act	Law After Act	Effective Date
25D(a), (g) & (h)	Residential Energy Efficient Property Credit for solar property is extended through 2021, but is phased out after 2019.	Residential Energy Efficient Property Credit was to have expired for property placed in service after Dec. 31, 2016.	Credit for solar property extended through 2021, but fuel cell, wind energy and geothermal heat pump property will expire for property placed in service after Dec. 31, 2016.	Jan. 1, 2017.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
45(b)(5) & (d)	Renewable electricity production credit for qualified wind facilities is retroactively extended through 2019, but phased out after 2016.	Credit was only available if construction on qualified facilities began before Jan. 1, 2015.	Renewable electricity production credit is extended for five years, but phased out gradually after 2016.	Qualified wind facilities for which construction begins after Dec. 31, 2014 and before Jan. 1, 2020.
48(a)(2)(A) & (a)(6)	Energy credit for solar energy property is extended to apply for property already under construction before Jan. 1, 2022, but the credit is phased out for property that is first under construction after Dec. 31, 2019 and before Jan. 1, 2022.	Energy credit based on energy percentage of 30 percent for solar energy property is due to expire on Dec. 31, 2016.	Thirty percent energy credit extended for construction which begins before Jan. 1, 2022.	Dec. 18, 2015.
48(a)(5)	Election to claim the energy credit in lieu of the electricity production credit for qualified wind facilities is retroactively extended through 2019, but phased out after 2016.	The credit was unavailable for facilities on which construction began after Dec. 31, 2014.	Election to claim energy credit in lieu of electricity production credit is extended for five years, through Dec. 31, 2019, but phased out after 2016.	Qualified wind facilities for which construction begins after Dec. 31, 2014 and before Jan. 1, 2020.

Fixing America's Surface Transportation Act

Code Section	Topic	Law Before Act	Law After Act	Effective Date
170(a)(2)(B)*	C corporation returns generally will be due on the fifteenth day of the fourth month following the close of the tax year (April 15 for a C corporation using the calendar year) for tax years beginning after Dec. 31, 2015.	Under pre-2015 Surface Transportation Act law, corporate income tax returns (Form 1120) made on the basis of the calendar year were due on March 15 following the close of the calendar year. Any returns made on the basis of a fiscal year had to be filed on or before the fifteenth day of the third month following the close of the fiscal year.	The due dates of returns of most C corporations will be governed by Code Section 6072(a) for tax years beginning after Dec. 31, 2015. Thus, the returns of most C corporations will be due by: April 15 following the close of the calendar year for a C corporation using the calendar year or the fifteenth day of the fourth month following the close of the fiscal year for most C corporations using a fiscal year (other than a C corporation using a tax year ending on June 30). For any C corporation with a tax year ending on June 30, the rule described above will apply to returns for tax years beginning after Dec. 31, 2025. Thus, until a tax year beginning after Dec. 31, 2025, a C corporation with a June 30 fiscal year will continue to apply the due date that applied to C corporations under the pre-2015 Surface Transportation Act law. In other words, the due date for a return for a C corporation using a tax year ending on June 30 will be the fifteenth day of the third month following the close of a tax year ending before Jan. 1, 2026.These provisions will cause the due date of Oregon returns to also be extended.	Tax years beginning after Dec. 31, 2015.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
563*	C corporation returns generally will be due on the fifteenth day of the fourth month following the close of the tax year (April 15 for a C corporation using the calendar year) for tax years beginning after Dec. 31, 2015.	Calendar-year C corporation income tax returns (Form 1120) were due on March 15 following the close of the calendar year. Any returns made on the basis of a fiscal year had to be filed on or before the fifteenth day of the third month following the close of the fiscal year.	Calendar-year C corporation income tax returns will be due by April 15 following the close of the calendar year or, for most fiscal year filers, the fifteenth day of the fourth month following the close of the fiscal year. For any C corporation with a tax year ending on June 30, the rule described above will apply to returns for tax years beginning after Dec. 31, 2025.	Tax years beginning after Dec. 31, 2015.
1354(d)(1)(B)(i)*	C corporation returns generally will be due on the fifteenth day of the fourth month following the close of the tax year (April 15 for a C corporation using the calendar year) for tax years beginning after Dec. 31, 2015.	Provides the rules relating to when a revocation of an election of the alternative tonnage tax regime will be effective if the revocation is made during the tax year and on or before the due date of the corporation's income tax return for that tax year.	The Act strikes the term "third month" and inserts "fourth month" in the following code sections to reflect the change of the due date of the C corporation income tax return (other than certain returns of C corporations using a tax year ending on June 30.	Tax years beginning after Dec. 31, 2015.
6035	Executors must provide Internal Revenue Service (IRS) and property recipients with estate tax value information for income tax basis purposes.	Under prior tax law, there was no obligation for executors to provide the value (basis) of property received.	Executors must provide IRS and property recipients with estate tax value information.	Property for which an estate tax return is filed after July 31, 2015.
6048	Regulations will provide that a foreign trust will have to file Form 3520 and Form 3520-A on the fifteenth day of the third month after the end of the tax year for tax years beginning after Dec. 31, 2015.	The due date for filing Form 3520, reporting for transaction with foreign trust and foreign gifts, was due on the due date of the taxpayer's tax return, including extensions.	Regulations will provide that Forms 3520 and 3520-A filings for foreign trusts will be due on the fifteenth day of the third month after the end of the tax year.	Tax years beginning after Dec. 31, 2015.
6050H	Additional mortgage interest reporting requirements will apply for returns made and statements furnished after 2016.	Any person who receives mortgage interest must provide certain information relating to name, address and the amount of interest.	The recipient of this income must additionally provide the amount of outstanding principal, the date of origination of the mortgage and the address of the property.	Returns required to be made, and statements required to be furnished, after Dec. 31, 2016.
6072(a)*	Partnership and S corporation returns will be due on the fifteenth day of the third month following the close of the tax year (March 15 for calendar year partnerships) for tax years beginning after Dec. 31, 2015.	Federal and Oregon partnership returns are due on the fifteenth day of the fourth month after the close of the partnership's tax year. S corporation tax returns are due on the fifteenth day of the third month.	For Federal filings, partnership and S corporation tax returns are due before the fifteenth day of the third month after the close of the partnership's tax year.	Tax years beginning after Dec. 31, 2015.
6072(b) & 6167*	C corporation returns generally will be due on the fifteenth day of the fourth month following the close of the tax year (April 15 for a C corporation using the calendar year) for tax years beginning after Dec. 31, 2015.	Federal and Oregon corporate tax returns are due on the fifteenth day of the third month after the close of the corporation's tax year.	For Federal filings, corporation tax returns are due before the fifteenth day of the third month after the close of the corporation's tax year.	Tax years beginning after Dec. 31, 2015.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
6081	Regulations will provide a six-month automatic filing extension for partnership income tax returns.	Partnership tax returns could be extended for five months.	The Internal Revenue Service (IRS) is directed to revise the regulations such that partnership tax returns can now be extended for six months, because the initial filing date was moved to a month earlier.	Tax years beginning after Dec. 31, 2015.
6081	Regulations will provide a trust with an automatic five and one-half month extension for filing Form 1041.	A trust is required to file a tax return by the fifteenth day of the fourth month after the end of its tax year. A trust can request an automatic five month extension.	The Internal Revenue Service (IRS) has been directed to revise its regulations to provide that a trust will be allowed to request an automatic five and one-half month extension.	Tax years beginning after Dec. 31, 2015.
6081	Automatic extension for filing Form 5500 remains at two and one-half months.	A return for a retirement plan could request an automatic two and one-half month extension to file its annual Form 5500. Effective for 2016 and after, the plan would have been allowed a three and one-half month extension.	A retirement plan return can be automatically extended two and one-half months.	Tax years beginning after Dec. 31, 2015.
6081*	Regulations will provide six-month automatic extensions for exempt organizations to file Form 990 series, Form 4720, Form 5227, Form 6069 and Form 8870 for tax years beginning after Dec. 31, 2015.	Annual returns of exempt organizatins could apply for an automatic three-month extension to file Form 990, Form 4720, Form 5227. Form 6069 and Form 8870. The organization could apply for an additional, non-automatic three month extension.	The Internal Revenue Service (IRS) is directed to modify its regulations to provide for an automatic six-month extension.	Tax years beginning after Dec. 31, 2015.
6081(b)*	Most corporate income tax returns can be automatically extended for six months (five months for calendar year C corporations and seven months for C corporations using a tax year ending on June 30) for tax years beginning after Dec. 31, 2015.	Most corporate income tax returns can be automatically extended for six months (five months for calendar year C corporations and seven months for C corporations using a tax year ending on June 30) for tax years beginning after Dec. 31, 2015.	Corporations will be allowed to file for a six-month extension, through Jan. 1, 2026.	Returns for tax years beginning after Dec. 31, 2015.
6103(k)	Exception to return confidentiality requirement provided for qualified tax collection contractors.	The Internal Revenue Service (IRS) may disclose returns and return information for ennumerated tax administration purposes.	Persons providing services pursuant to a qualified collection contract may identify themselves as IRS contractors when speaking to another person who has information relating to a taxpayer which has a tax receivable.	Disclosures made after Dec. 4, 2015.
6103(k)	Overview of reforms to qualified tax collection contracts rules and special compliance personnel program.	The Internal Revenue Service (IRS) is allowed to contract with nonemployees used to perform qualified tax collection activities.	The rules relating to the IRS' qualified tax collection contracts have been revised.	See the discussion of the specific provisions for the relevant effective dates.

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Code Section	Topic	Law Before Act	Law After Act	Effective Date
6103(k)(11), 6103(p) & 6103(p)(4)	Revocation or denial of passport if unpaid taxes exceed $50,000.	The Internal Revenue Service (IRS) has been unable to disclose tax information to the State Department.	If an individual has a seriously delinquent federal tax debt, the IRS will transmit a certification to the State Department for action as to denial, revocation or limitation of a passport.	Dec. 4, 2015.
6306 & 6307	Overview of reforms to qualified tax collection contracts rules and special compliance personnel program.	Section 6306 permits the IRS to enter into contracts with private debt collectors. However, in 2009 Pub. L. No. 111-8 included a provision that did not allow any appropriations to the IRS to be used to administer Section 6306. Since then, the IRS has not renewed any contracts with private debt collectors.	The Act requires the IRS to enter into qualified tax collection contracts for the collection of "inactive tax receivables."	See the discussion of the specific provisions for the relevant effective dates.
6320(a)(3)(e) & 6331(d)(4)(G)	Revocation or denial of passport if unpaid taxes exceed $50,000.	The State Department to refuse to issue or renew a passport if the applicant owes child support in excess of $2,500 or owes certain types of federal debts. The law does not extend to the rejection or revocation of a passport on the basis of delinquent federal taxes.	If an individual has a seriously delinquent federal tax debt, the IRS will transmit a certification to the State Department for action as to denial, revocation or limitation of a passport.	Dec. 4, 2015.
6412(a)(1)	Floor stocks credit, or refund for tire tax and removal-at-terminal fuel tax, is to apply to tires or fuel held by dealers on Oct. 1, 2022.	Current law expires Oct. 1, 2016.	The Act extends through Sept. 30, 2022 the three excise taxes imposed on highway motor fuels, the retail sales taxes on heavy highway vehicles and the manufacturers' excise tax on heavy vehicle tires. The annual use tax on heavy vehicles is extended through Sept. 30, 2023.	Oct. 1, 2016.
6425(a)(1) & 6655*	C corporation returns generally will be due on the fifteenth day of the fourth month following the close of the tax year (April 15 for a C corporation using the calendar year) for tax years beginning after Dec. 31, 2015.	C corporation returns generally will be due on the fifteenth day of the third month following the close of the tax year.	C corporation returns generally will be due on the fifteenth day of the fourth month following the close of the tax year (April 15 for a C corporation using the calendar year).	Tax years beginning after Dec. 31, 2015.
6501(e)(1)(B)	Overstated basis can trigger six-year statute of limitations for "substantial omissions" from income; *Home Concrete* is reversed.	The IRS normally has three years after a taxpayer files an income tax return to audit the return and propose additional tax liability. The IRS has six years, however, if the taxpayer omits from the return an amount of gross income that is more than 25 percent of the amount of gross income reported on the return.	This provision amended the statute specifically to provide that an "understatement of gross income by reason of an overstatement of unrecovered cost or other basis is an omission from gross income."	Returns filed after July 31, 2015 and returns filed before July 31, 2015 for which the statute of limitations has not yet expired.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
6662(b)(8) & 6662(k)	Income tax basis of property acquired from a decedent cannot exceed value used to determine estate tax and new reporting requirements for the executors.	No reporting requirement for property recipients.	The Act requires that: (1) the value of the basis in any property acquired from a decedent be consistent with the basis as determined for estate tax purposes; and (2) executors of estates disclose to the IRS and to persons acquiring any interest in the decedent's estate information identifying the value of each interest received.	Property for which an estate tax return is filed after July 31, 2015.
6724(d)	Penalties on failure of executor to provide basis information.	No similar law in place.	Executors in charge of property acquired from a decedent must now provide the IRS and recipients of the property with information concerning the value of the property as reported for federal estate tax purposes. Penalties are now imposed for a failure to comply with the new rule.	For property for which an estate tax return is filed after July 31, 2015.

Bipartisan Budget Act of 2015

Code Section	Topic	Law Before Act	Law After Act	Effective Date
6031(b)	Consistency requirement for a partner's tax return for post-2017 partnership returns.	A partner must treat a partnership item on its return in a manner that is consistent with the treatment on the partnership return. This consistency requiement does not apply if the partner files a statement wtih the tax return identifying the inconsistency.	The consistency requirement has been expanded to cover all items of income, gain, loss, deduction or credit from the partnership.	Returns filed for partnership tax years beginning after Dec. 31, 2017.
6221-6235, 6240-6242, 6245-6248, 6251-6252, 6255 & 6330	Tax Equity and Fiscal Responsibility Act (TEFRA) and electing large partnership audit provisions are repealed and replaced.	Special IRS audit rules were provided for certain partnerships.	The Tax Equity and Fiscal Responsibility Act (TEFRA) rules have been modified.	Returns filed for tax years beginning after Dec. 31, 2017.
6422, 6501, 6503-6504, 6511-6512, 6515, 6601, 7482 & 7485	Repeal of Tax Equity and Fiscal Responsibility Act (TEFRA) and electing large partnership audit provisions-related provisions.	A partner must treat a partnership item on its return in a manner that is consistent with the treatment on the partnership return. This consistency requiement does not apply if the partner files a statement wtih the tax return identifying the inconsistency.	The consistency requirement has been expanded to cover all items of income, gain, loss, deduction or credit from the partnership.	Returns filed for tax years beginning after Dec. 31, 2017.
None	Repeal of automatic enrollment requirement for employees in health care plans.	Prior law required employers with more than 200 full-time employees to automatically enroll in health care plans.	There is no longer a requirement for employers to automatically enroll employees.	Nov. 2, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Trade Preferences Extension Act of 2015				
24(d)	Child Tax Credit (CTC) isn't refundable for taxpayers who elect to exclude foreign earned income or foreign housing costs under Code Section 911.	A portion of the CTC is refundable, up to certain limits.	Any taxpayer who elects to exclude from U.S. gross income any amount of foreign earned income or housing costs may not claim the refundable part of the CTC.	Tax years beginning after Dec. 31, 2014.
25A(g)(3)(C) 25A(g)(8)	Payee statement from eligible educational institution, etc., is required to claim a higher education credit or tuition and fees deduction.	Educational institutions must file information return with IRS on Form 1098-T.	Enhanced requirements as to information needed to be included on payee statements, including student ID number.	Tax years beginning after June 29, 2015.
35(b)(1)(B), (e) & (g)	Health Coverage Tax Credit (HCTC) for trade-displaced workers and Pension Benefit Guarantee Corporation (PBGC) pension recipients is retroactively extended for six years through the end of 2019. Eligibility requirements modified for HCTC and Premium Tax Credit (PTC).	HCTC had effectively terminated as of Jan. 1, 2014.	Credit is retroactively extended through 2019 and various modifications made to eligibility requirements.	Coverage months in tax years beginning after Dec. 31, 2013 and before Jan. 1, 2010.
6501(m)	Time to assess Health Care Tax Credit (HCTC) deficiency won't expire until one year after Internal Revenue Service (IRS) is notified of HCTC election.	The Act amends the definition of eligible coverage month for HCTC purposes to include months beginning before Jan. 1, 2020, if the requirements for an eligible coverage month are otherwise met.	The Act amends the definition of eligible coverage month for HCTC purposes to include months beginning before Jan. 1, 2020, if the requirements for an eligible coverage month are otherwise met.	Coverage months in tax years beginning after Dec. 31, 2013.
6655	Certain 2020 estimated taxes for corporations with assets of $1 billion or more increase to 108 percent.	Federal law typically imposes a corporate underpayment penalty if estiamtes are not at least 100 percent of the prior year tax. The required estimated tax payments will increase if income exceeds a certain amount. No increased payments are required based upon the amount of assets of the corporation.	Certain 2020 estimated taxes for corporations with assets of $1 billion or more increase to 108 percent.	June 29, 2015.
6721 & 6724(f)	Increase in information return penalties; Waiver for certain educational institutions.	Penalties are imposed if an information return (such as partnership or S corporation returns) is not filed before the required filing date, a return does not include all the information required to be shown on the return or the information reported is incorrect.	The new law significantly increases the penalties for late or inaccurate filings. The failure to file penalty is waived for educational institutions unable to collect individuals' ITINs.	For returns and statements required to be filed after Dec. 31, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
7527	The Internal Revenue Service (IRS) must re-establish program for advance payment of Health Care Tax Credit (HCTC) directly to health insurance provider.	Before 2014, the IRS had established a program for paying the Health Coverage Tax Credit (HCTC) in advance on behalf of individuals for whom a qualified health insurance cost credit eligibility certificate was in effect ("certified individuals") to providers of qualified health insurance for those individuals. The HCTC had expired for coverage months beginning after Dec. 31, 2013.	No later than June 29, 2016, the IRS is to establish a program for making HCTC payments on behalf of certified individuals to providers of qualified health insurance on behalf of those individuals.	Coverage months in tax years beginning after Dec. 31, 2013, and before Jan. 1, 2020.

Defending Public Safety Employees' Retirement Act

Code Section	Topic	Law Before Act	Law After Act	Effective Date
72(t)	Penalty-free early plan withdrawals for certain public safety officers expanded to include others.	A 10 percent penalty tax applies to premature distributions from a qualified retirement plan. Specifically, if a taxpayer takes an "early withdrawal" from a "qualified retirement plan," the taxpayer's income tax for the tax year in which that amount is received is increased by an amount equal to 10 percent of the portion of the amount that is includible in gross income. However, an exception applied to certain public safety officers.	The acts expanded the definiton of public safety employees to include a number of expanded categories of public safety officers.	Distributions after Dec. 31, 2016.

Medicare Access and Children's Health Insurance Program (CHIP) Reauthorizaiton Act of 2015

Code Section	Topic	Law Before Act	Law After Act	Effective Date
6331(h)(3)	Increase in continuous levy for payments to Medicare providers.	The federal payment levy for Medicare Providers is 15 percent, or the exact amount of tax owed if it is less than 15 percent of the payment.	This provision increased the amount of the federal payment levy for Medicare Providers to 30 percent, or the exact amount of the tax owed if it is less than the 30 percent of the payment.	Payments made after Oct. 13, 2015.

Note regarding corporation filing dates: Federal law has specified that corporation tax returns are due by the 15th day of the third month after the close of the corporation's tax year. This legislation has changed the due date for corporate tax returns to the 15th day of the fourth month after the close of the tax year. ORS 314.385(b) specifies that the due date for corporation returns is the 15th day of the month following the due date of the corresponding Federal return for that tax year. This ORS would need to be revised if the Oregon due date is intended to remain the same as in the past.

ORS change necessary: A change to the ORS is necessary in order to conform to this Federal provision. To increase taxpayer compliance, it is recommended that Oregon Statutes be amended to conform as closely as possible to this change.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Protecting Americans from Tax Hikes Act of 2015				
32(b)(1) & (3)	Earned Income Credit (EIC) rate of 45 percent for taxpayers with three or more qualifying children is made permanent.	Percentage was a temporary rule that applied from 2009 through 2017.	The Oregon credit is a fixed percentage of the Federal credit (ORS 315.266) through 2014 (ORS 315.004).	Tax years beginning after Dec. 31, 2015.
32(b)(2)(B) & (b)(3)	Reduction of the Earned Income Credit (EIC) marriage penalty is made permanent.	The rule applied from 2009 through 2017.	New law makes rules permanent.	Tax years beginning after Dec. 31, 2015.
32(m)	To claim the Earned Income Credit (EIC), taxpayer's and qualifying child's social security numbers must be issued by return due date.	Taxpayer ID numbers are required to claim EIC, but there are no rules about when the ID numbers had to have been issued.	The Oregon credit is a fixed percentage of the Federal credit (ORS 315.266) through 2014 (ORS 315.004).	Original or amended returns filed after Dec. 18, 2015.
41(h)	Start-up small businesses can elect to apply a portion of the research credit against payroll tax instead of income tax.	Taxpayer was entitled to a research credit against regular tax.	Qualified small businesses can elect to apply to the "payroll tax credit portion" credit as determined under the new rules. Without a change taxpayers electing the payroll credit could receive a lower Oregon credit.	Tax years beginning after Dec. 31, 2015.
199(d)(8)(C)	Allowance of "Domestic Production Activities Deduction" (DPAD) for Puerto Rico activities is extended.	There are special rules for determining domestic production gross receipts for taxpayers with gross receipts from sources within Puerto Rico, but only if all of the taxpayer's Puerto Rico-sourced gross receipts are taxable. There are also special rules for determining the wage limitation for the DPAD with regard to wages paid to bona fide residents of Puerto Rico for services performed in Puerto Rico. These special rules for Puerto Rico applied only for the first nine tax years of a taxpayer beginning after Dec. 31, 2005 and before Jan. 1, 2015.	The special DPAD rules for Puerto Rico apply for the first 11 tax years of a taxpayer beginning after Dec. 31, 2005 and before Jan. 1, 2017.	Tax years beginning after Dec. 31, 2014 and before Jan. 1, 2017.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
2016 Consolidated Appropriations Act				
199(c)(3)(C)	Inpedendent oil refiners can exclude 75 percent of oil-transportation costs in computing net income for the "Domestic Production Activities Deduction" (DPAD).	Subject to certain limitations, taxpayers are allowed a deduction (known as the “Section 199 deduction,” “Domestic Production Activities Deduction” or “DPAD”) equal to nine percent of the taxpayer's “Qualified Production Activities Income” (“QPAI”) for the tax year. Under Code Section 199(d)(9), the otherwise-allowable DPAD of taxpayers with “oil-related Qualified Production Activities Income” (“oil-related QPAI”) is reduced by three percent of the least of: (1) the taxpayer's oil-related QPAI for the tax year; (2) the taxpayer's QPAI for the tax year; or (3) the taxpayer's taxable income (determined without regard to the DPAD).	Applicable crude oil refiners may exclude 75 percent of their oil-transportation costs (such as pipeline tariffs, rail costs and tanker fees) when computing their DPAD. Specifically, in computing their oil-related QPAI, refiners will have to reduce the amount of their domestic production gross receipts by only 25 percent of their oil-transportation expenses allocable to those receipts, which will increase their QPAI, and increase the amount of their initial DPAD before the oil-related QPAI reduction.	Tax years beginning after Dec. 31, 2015 and before Jan. 1, 2022.

Section D

No ORS change necessary: These provisions reference the tax code, but do not impact tax law. We have analyzed any relevant tax provisions and they are included in Recommendations A through C.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Protecting Americans from Tax Hikes Act of 2015				
7453	Tax Court Rules of Evidence.	In most situations the Tax Court follows the precedent of the circuit court to which a case can be appealed, and in the absence of any precedent it applies its own precedent.	Proceedings of the Tax Court and its divisions will now be conducted in accordance with the rules of practice and procedure as the Tax Court may prescribe and in accordance with the Federal Rules of Evidence.	Proceedings commenced after Dec. 18, 2015 and, to the extent just and practicable, to all proceedings pending on Dec. 18, 2015.
7466	Investigating complaints against the Tax Court.	There are no statutory provisions for complaints about the conduct or disability of a Tax Court judge, Senior judge or Special Trial judge, even though they voluntarily agreed to follow the rules in the Code of Conduct for U.S. judges.	The Tax Court must prescribe procedures for filing complaints with respect to the conduct of any judge of the Tax Court and for the investigation and resolution of those complaints. The Tax Court will have the power to investigate and take actions with respect to any such complaints.	Proceedings commencing on June 15, 2016 and, to the extent possible, all proceedings pending on June 15, 2016.
7441, 7470 & 7470A	Tax Court administrative powers broadened.	The Tax Court's unusual status as an independent tribunal was established by the Congress to exercise judicial power. It was not intended to be subject to control by the President or the executive branch, and does not have general authorities that would normally be available were the Court part of another administrative structure, such as the U.S. Court of Federal Claims and the U.S. Court of Appeals for the Armed Forces.	The law makes clear that the U.S. Tax Court is not part of the Executive Branch. Under the new law, the Tax Court will have the same authority applicable to any other court of the United States, giving the Tax Court the same general management, administrative and expenditure authorities that are available to other Article I courts. The chief judge may also require participation in an annual judicial conference.	Dec. 18, 2015.
7803(a)(3)	Internal Revenue Service (IRS) employees and taxpayer's rights.	Previously there was no provision that required the Commissioner to ensure that IRS employees were familiar with, or followed, taxpayers' rights.	Under the new law, the IRS Commissioner must ensure that IRS employees are familiar with and act in accord with taxpayer rights as afforded under other provisions of the Code.	Dec. 18, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
2016 Consolidated Appropriations Act				
None	Annual fee imposed on health insurance providers is suspended for calendar year 2017.	An annual fee is imposed on each covered entity engaged in the business of providing health insurance with respect to U.S. health risks, effective for all calendar years beginning after 2013.	The imposition of the fee is suspended for the 2017 calendar year. The fee is effective for calendar years (1) beginning after Dec. 31, 2013, and ending before Jan. 1, 2017, and (2) beginning after Dec. 31, 2017.	Dec. 18, 2015.
Fixing America's Surface Transportation Act				
7345 & 7508(a)(3)	No Passport if unpaid tax liability.	No similar law in place.	If a taxpayer owes more than $50,000 and the IRS has filed a lien or levy to collect the taxes, the Secretary of State shall not issue a passport to that individual, or shall revoke an existing passport.	Dec. 4, 2015.
Bipartisan Budget Act of 2015				
7421(a), 7422 & 7459(c)	Change in procedures related to certain lawsuits.	Previously a suit could be filed by a taxpayer if it was made after a notice of deficiency was issued but before expiration of the time for bringing a Tax Court suit.	The law strictly limits the circumstances under which a suit to enjoin the assessment or collection of any tax is permitted. No suit for the purpose of restraining the assessment or collection of any tax can be maintained, whether or not that person is the one against whom the tax is assessed.	Returns filed for tax years beginning after Dec. 31, 2017.

Section E

These Acts reference the tax code but may not impact income tax law. We have not analyzed these Acts in full and have noted with an asterisk (*) items that may be of interest and warrant further consideration by Oregon.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Protecting Americans from Tax Hikes Act of 2015				
4191(c)	Medical device excise tax is suspended for two years, for sales in 2016 and 2017.	Provides for the rate of tax on medical devices.	The Act provided for a two-year moratorium for the tax imposed on medical devices, beginning Jan 1, 2016 and ending Dec. 31, 2017.	Sales after Dec. 31, 2015 and before Jan. 1, 2018.
6426(c) & 6427(e)	Excise tax credits/refunds for biodiesel and renewable diesel are extended retroactively through 2016.	The existing $1 per gallon tax credit for biodiesel and biodiesel mixtures, and the small agri-biodiesel producer credit of 10 cents per gallon. The provision also extends through 2016 the $1 per gallon production tax credit for diesel fuel created from biomass.	The provision extends the tax credits/refunds through 2016.	Fuel sold or used after Dec. 31, 2014 and before Jan. 1, 2017.
6426(d), 6426(e), 6426(i) & 6427(e)	Alternative fuel and alternative fuel mixture excise tax credits and/or refunds are retroactively extended through 2016; credit modified to reflect reduced Liquefied Petroleum Gas (LPG) and Liquefied Natural Gas (LNG) tax rates after 2015.	Tax law provided rules relating to certain fuel and terminal excise taxes. The taxes terminated for any sale or use after 2014.	The provision is extended retroactively through 2017.	For extension, for fuel sold or used after 2014 and before 2017; for LPG and LNG credit equivalency, for fuel sold or used after 2015.
2016 Consolidated Appropriations Act				
4980I	Imposition of Cadillac tax delayed until 2010.	Federal law imposed a 40 percent excise tax to any excess benefit provided to an employee.	The imposition of the Cadillac tax has been dalayed until after Dec. 31, 2019.	Dec. 18, 2015.
4980I(b)	Congress orders study on more suitable benchmarks for age and gender adjustment of Cadillac tax.	Federal law imposes a 40 percent excise tax to any excess health benefit.	The Comptroller General must report to the Congress as to the suitability of the "Standard Benefit" as a benchmark for the age and gender adjustments of the dollar limits used in the computation of the excise tax.	Dec. 18, 2015.
Fixing America's Surface Transportation Act				
4041(a)(1)-(3) 4041(m)(1)(A)-(B)	Various higher fuel excise tax rates are extended to apply through Sept. 30, 2022.	Provides for the rate of tax on certain alternative fuels.	The Act extended the provisions of the paragraph through September 30, 2022 and added a provision for liquefied petroleum gas to be taxed at 18.3 cents per energy equivalent of a gallon of gasoline and for liquefied natural gas to be taxed at 24.3 cents per energy equivalent of a gallon of diesel.	Oct. 1, 2016.

Section E

Code Section	Topic	Law Before Act	Law After Act	Effective Date
4051(c)	Retail truck and manufacturer's tire excise taxes, and certain exemptions, are extended through Sept. 30, 2022.	Provides for the rate of tax on certain heavy trucks and trailers sold at retail.	The Act extended the provisions of the paragraph through Sept. 30, 2022.	Oct. 1, 2016.
4071(d)	Retail truck and manufacturer's tire excise taxes, and certain exemptions, are extended through Sept. 30, 2022.	Provides for the rate of tax on certain tires sold at retail.	The Act extended the provisions of the paragraph through Sept. 30, 2022.	Oct. 1, 2016.
4081(d)(1)	Various higher fuel excise tax rates are extended to apply through Sept. 30, 2022.	Provides for the rate of tax on the removal, entry or sale of fuel.	The Act extended the provisions of the paragraph through Sept. 30, 2022.	Oct. 1, 2016.
4081(d)(3)	Leaking Underground Storage Tank (LUST) Trust Fund 10-cent-per-gallon tax is extended through Sept. 30, 2022.	Provides for the Leaking Underground Storage Tank Trust Fund financing rate.	The Act extended the provisions of the paragraph through Sept. 30, 2016.	Oct. 1, 2016.
4221(a)	Retail truck and manufacturer's tire excise taxes, and certain exemptions, are extended through Sept. 30, 2022.	Provides for certain exclusions.	The Act extended the exclusions of certain sales to state and local government and certain sales to nonprofit educational organizations from the taxes imposed in Code Section 4051 and Code Section 4071 through Sept. 30, 2022.	Oct. 1, 2016.
4481(f)	Highway use tax, and certain exemptions from the tax, are extended through Sept. 30, 2023.	Federal law provided for an excise tax on gross vehicle weight. This law was scheduled to expire Sept. 30, 2017.	The highway use tax was was extended through Sept. 30, 2023.	Oct. 1, 2016.
4482 & 4483	Highway use tax, and certain exemptions from the tax, are extended through Sept. 30, 2023.	Federal law provided for an excise tax on gross vehicle weight. This law was scheduled to expire Sept. 30, 2017.	The highway use tax was was extended through Sept. 30, 2023.	Oct. 1, 2016.
None	Regulations to provide that the Report of Foreign Bank and Financial Accounts (FBAR) will be due on April 15 with a maximum automatic extension for six-month-period tax years beginning after Dec. 31, 2015.	U.S. persons that have financial interest in or signature authority over foreign financial accounts have to file the Financial Crimes Enforcement Network (FinCEN) Report 114, Report of Foreign Bank and Financial Accounts (FBAR), if the aggregate value of the foreign financial accounts exceeds $10,000 at any time during the calendar year.	The Act provides for the FBAR to be due on April 15.	Tax years beginning after Dec. 31, 2015.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Bipartisan Budget Act of 2015				
None	Due date for Pension Benefit Guaranty Corporation (PBGC) premium payments will be accelerated by one month in 2025.	The PBGC administers a federally required plan termination insurance program that protects participants' accrued benefits under employer defined benefit pension plans. All covered plans must pay annual insurance premiums to PBGC for each plan participant.	The Act provides the premium due date will be the fifteenth day of the ninth calendar month that begins on or after the first day of the premium payment year, for plan years beginning in 2025 only.	Nov. 2, 2015.
Protecting Affordable Coverage for Employees Act				
None	Patient Protection and Affordable Care Act (PPACA) definitions of large employer and small employer are changed.	Large employer was defined, in connection with a group health plan, to employ an average of at least 101 employees.	The number of employees is now 51 instead of 101.	Oct. 7, 2015.
Aiport and Airway Extension Act of 2015				
4081(d)(2)(B)	Airport and airway trust fund excise taxes are extended through March 31, 2016.	Provides for the rate of tax on the aviation fuels.	The Act extended the provisions of the paragraph through March 31, 2016.	Sept. 30, 2015.
4083(b)	Fractional ownership aircraft flights' treatment as noncommercial aviation, and exemption from air transportation excise taxes, are extended through March 31, 2016.	Provides for the meaning of commercial aviation for purposes of the subpart.	The Act extended the provision excluding the use of aircraft from the meaning of commercial aviation until March 30, 2016.	Sept. 30, 2015.
4261(j) & (k)	Fractional ownership aircraft flights' treatment as noncommercial aviation and exemption from air transportation excise taxes are extended through March 31, 2016.	Federal law provided that fractional ownership aircraft flights are treated as noncommercial aviation through Sept. 30, 2015.	These rules have been extended through March 31, 2016.	Sept. 30, 2015.
4271(d)(1)(A)(ii)	Airport and airway trust fund excise taxes are extended through March 31, 2016.	Numerous excise taxes used to fund the Federal Airport and Airway Trust Fund were schedule to expire after Sept. 30, 2015.	These excise taxes were extended through March 31, 2016.	Sept. 30, 2015.
Surface Transportation and Veterans Health Care Choice Improvement Act of 2015				
4980H(c)(2)(F)	Individuals receiving benefits under TRICARE and veterans health care programs are excluded from 50-worker threshold calculation for purposes of Affordable Care Act's employer mandate.	This provision impacts large employers for the Affordable Care Act.	This provision impacts large employers for the Affordable Care Act.	Jan. 1, 2014.

Code Section	Topic	Law Before Act	Law After Act	Effective Date
Slain Officer Family Support Act of 2015				
None	Payments made by tax-exempt organizations for two slain New York Police Department (NYPD) detectives treated as exempt payments.	For purposes of tax-exempt status payments made by charities to private individuals were not allowable as meeting exempt purpose by charities.	Payments related to NYPD detectives Wenjiian Liu or Rafael Ramos between Dec. 20, 2014 and Oct. 15, 2015 are treated as qualifying.	Payments made after Dec. 19, 2014 and before Oct. 16, 2015.