



TaxNewsFlash

United States

No. 2018-555
December 10, 2018

Legislative update: Ways and Means Chairman Brady releases modified version of tax package

U.S. House Ways and Means Committee Chairman Brady (R-TX) today released a “retooled” version of a tax package that the House proposes to add to H.R. 88 (an unrelated bill) as an amendment.

The [253-page amendment](#) [PDF 568 KB] includes:

- Several technical corrections to the 2017 tax law
- Retirement and savings provisions
- Health-related tax provisions that would delay the medical excise tax, the “health insurance tax,” and the so-called “Cadillac tax” and that would repeal the “tanning tax”
- Provisions relevant to tax-exempt entities, including repeal of a tax on transportation fringe benefits with respect to such entities
- IRS administration provisions
- Disaster relief provisions
- Other miscellaneous provisions

Read a [press release](#) about the package issued today by Chairman Brady.

Background

Chairman Brady on November 26 released an earlier version of the tax package. Read [TaxNewsFlash](#)

Subsequently, a [“Manager’s Amendment”](#) [PDF 238 KB] to H.R. 88 was released, that included a proposal to repeal section 512(a)(7)—a provision added by the 2017 law that increases unrelated business taxable income of exempt organizations by amounts paid or incurred to provide certain transportation fringe benefits to nonprofit employees. Read [TaxNewsFlash](#)

Read the Joint Committee on Taxation (JCT) [table](#) with estimates of the budget effects of the revenue provisions included in prior versions of the package.

KPMG observation

Today’s release includes items not included in the prior version of the tax package:

- The health-related tax provisions were not in a prior version of the tax package (described above).
- Today’s package includes a technical correction that was not in the prior version of the package—this technical correction would modify section 958(b) and would add a new section 951B.
- Today’s package does not include some provisions that were in the prior version, such as extensions of tax provisions that expired at the end of 2017 and an “innovation” title.

Future prospects

It is not clear whether the House will take up H.R. 88 before the current Congress adjourns later this month or, if it does, what the Senate’s official response (if any) might be. Regardless of whether the House passes H.R. 88 or not, it is possible that some provisions in the bill might be included in other legislation on which the House and Senate might agree (such as a government funding bill) prior to adjournment. However, it is also possible that this will not be the case, and that no further tax legislation will be enacted by the current Congress.

The information contained in TaxNewsFlash is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader’s knowledge on the matters addressed therein, and is not intended to be applied to any specific reader’s particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG’s Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

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

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