



TaxNewsFlash

United States



No. 2021-304
July 20, 2021

Legislative update: Senate Finance Chairman Wyden's proposal to modify section 199A qualified business income deduction

U.S. Senate Finance Committee Chairman Ron Wyden (D-OR) introduced a bill to substantially modify the section 199A qualified business income deduction.

Among other things, the bill would phase-out the deduction for individuals earning more than \$400,000, expand the kinds of businesses that qualify, and simplify certain rules.

A [one-page summary](#) [PDF 103 KB] of the bill states that:

Chair Wyden's proposal would ensure this tax benefit helps Main Street small business owners, not wealthy real estate investors. The changes would expand middle-income business owners' access to the pass-through deduction and remove complex calculations and limitations, while ensuring that the deduction goes to true small business owners—not millionaires.

Read [text](#) [PDF 38 KB] of the bill

KPMG observation

Although the Biden Administration has not proposed modifying section 199A as part of the revenue offsets for its "American Jobs Plan" and its "American Families Plan," congressional Democrats might consider additional revenue proposals as it puts together legislation.

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 address the circumstances of any particular individual or entity. 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. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

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](#)