

GMS Flash Alert

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United States – KPMG Releases Report on Expiring 2025 Tax Laws

Barring action by the incoming United States Congress, \$4 trillion of tax increases will take effect at the end of 2025, due to the expiration of numerous tax cuts put in place in 2017 with the enactment of the *Tax Cuts and Jobs Act* (TCJA).¹ KPMG LLP (U.S.) has released a detailed analysis of the tax provisions of the TCJA that will “sunset” after next year.² The KPMG report highlights the provisions that will have a particular impact on individual taxpayers and their families.

WHY THIS MATTERS

Significant tax cuts that benefitted individual taxpayers will soon expire. For employers that help shoulder the tax burdens of globally mobile employees, these individual tax increases may result in a rise in the cost of international assignment programs.

Background

In 2017, the U.S. Congress passed, and President Trump signed into law, the TCJA³, which implemented tax cuts meant to ease the tax burdens on individual and business taxpayers, stimulate the economy, and make the U.S. more competitive in the global marketplace. While most of the corporate tax cuts were permanent, many of the significant tax cuts for individuals were temporary, effective beginning with the 2018 tax year but expiring after the 2025 tax year. This approach of giving tax cuts a “sunset” date has been common in recent decades, as it minimizes the projected budgetary impact of the measures. As the sunset date approaches, the problem of whether to extend, amend, or make permanent the temporary cuts, or to let them expire, is deferred to a future Congress.

The fate of the tax cuts implemented by the TCJA may depend on the results of the upcoming U.S. presidential and congressional elections. Unless the presidency and both houses of Congress are held by the same political party, it may be difficult to find the consensus necessary to pass legislation that would postpone or repeal the TCJA’s sunset provisions.

KPMG INSIGHTS

KPMG's report "[Watching the sunset: Tax provisions expiring in 2025](#)," summarizes the tax cuts that are scheduled to expire in 2025, with comments on how they will affect individual taxpayers. Watch for an upcoming report from KPMG Global Mobility Services that will focus on how the TCJA sunset provisions may affect international assignees and their employers.

FOOTNOTES:

- 1 For an index of prior KPMG publications analyzing the TJCA, see <https://assets.kpmg.com/content/dam/kpmg/us/pdf/2023/10/tnf-tax-reform-archive.pdf>.
- 2 See: <https://kpmg.com/kpmg-us/content/dam/kpmg/taxnewsflash/pdf/2024/09/tnf-report-expiring-provisions-2025-final-sep4-2024.pdf>.
- 3 For prior coverage, see the following issues of *GMS Flash Alert*: [2017-192](#) (December 22, 2017) and [2017-177](#) (December 3, 2017).

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