Summary of Provisions in the Tax Relief Extension Act of 2015

Individual Provisions

1. Extension and modification of the deduction for expenses of elementary and secondary school teachers

The bill extends, for two years, the $250 above-the-line tax deduction for teachers and other school professionals for expenses paid or incurred for books, supplies (other than non-athletic supplies for courses of instruction in health or physical education), computer equipment (including related software and service), other equipment, and supplementary materials used by the educator in the classroom. In addition, the bill modifies the provision to index the $250 threshold to inflation. The bill also modifies the provision to enable teachers to use the deduction to cover professional development expenses. *This provision is estimated to cost $457 million over 10 years.*

2. Extension and modification of mortgage debt relief

Under current law, taxpayers who have mortgage debt canceled or forgiven after 2014 may be required to pay taxes on that amount as taxable income. Under this provision of the bill, up to $2 million of forgiven debt is eligible to be excluded from income ($1 million if married filing separately) through tax year 2016. This provision was created in the Mortgage Debt Relief Act of 2007 to shield taxpayers from having to pay taxes on cancelled mortgage debt stemming from mortgage loan modifications through 2010. It was extended through 2013 by the Emergency Economic Stabilization Act of 2008. In addition, the bill modifies the provision by providing that mortgage debt discharged would be eligible for exclusion as long as it was pursuant to an arrangement entered into and evidenced in writing before January 1, 2017. *This provision is estimated to cost $5.173 billion over 10 years.*

3. Extension and modification of parity for employer-provided mass transit and parking benefits

The bill would extend through 2016 the increase in the monthly exclusion for employer-provided transit and vanpool benefits from $130 to $250, so that it would be the same as the exclusion for employer-provided parking benefits. In order for the extension to be effective retroactive to January 1, 2015, employers may reimburse expenses incurred prior to enactment by employees for vanpool and transit benefits on a tax-free basis to the extent the expenses exceed $130 per month and are not more than $250 per month. In addition, the bill modifies the qualified transportation benefit in section 132(f) to add expenses associated with the use of a bike sharing program to the list of qualifying expenses. *This provision is estimated to cost $188 million over 10 years.*

4. Extension of deduction for mortgage insurance premiums

The bill extends the ability to deduct the cost of mortgage insurance on a qualified personal residence. The deduction is phased-out ratably by 10% for each $1,000 by which the taxpayer's AGI exceeds $100,000. Thus, the deduction is unavailable for a taxpayer with an AGI in excess of $110,000. The bill extends this provision for two additional years, through 2016. *This provision is estimated to cost $2.318 billion over 10 years.*

5. Extension of deduction for state and local general sales taxes

The bill extends the election to take an itemized deduction for State and local general sales taxes in lieu of the itemized deduction permitted for state and local income taxes for two years. *This provision is estimated to cost $6.696 billion over 10 years.*

6. Extension of special rules for contributions of capital gain real property made for conservation purposes

The bill extends, for two years, the increased contribution limits and carryforward period for contributions of appreciated real property (including partial interests in real property) for conservation purposes. *This provision is estimated to cost $280 million over 10 years.*

7. Extension of above-the-line deduction for higher education expenses

The Economic Growth and Tax Relief Reconciliation Act (EGTRRA) created an above-the-line tax deduction for qualified higher education expenses. The maximum deduction was $4,000 for taxpayers with AGI of $65,000 or less ($130,000 for joint returns) or $2,000 for taxpayers with AGI of $80,000 or less ($160,000 for joint returns). The bill extends the deduction to the end of 2016. *This provision is estimated to cost $608 million over 10 years.*

8. Extension of tax-free distributions from individual retirement plan for charitable purposes

The bill extends, for two years, the provision that permits an Individual Retirement Arrangement ("IRA") owner who is age 70-1/2 or older generally to exclude from gross income up to $100,000 per year in distributions made directly from the IRA to certain public charities. *This provision is estimated to cost $1.860 billion over 10 years.*

Business Provisions

1. Extension and modification of the research and experimentation tax credit

The bill extends, for two years, through 2016, the 20 percent traditional research tax credit and the 14 percent alternative simplified credit. In addition, the bill modifies the provision to expand the current R&D credit to qualifying startup businesses, allowing such company to claim the credit against taxes it pays on employee wages, not just against income tax. The benefit is capped at $250,000 per year. This credit can be offset against AMT liability. *This provision is estimated to cost $22.623 billion over 10 years.*

2. Extension of 9% credit rate freeze for the low-income housing tax credit (LIHTC) program and modification of the LIHTC program for existing housing

The low-income housing tax credit program provides a tax credit over a period of ten years after a housing facility occupied by low-income tenants is placed-in-service. The credit earned each year generally depends on three factors – the investment in the building, the portion of the building devoted to low-income units, and a credit rate (called the "applicable rate"). When the program was created, the applicable rate was 9%. As interest rates have declined, so has the amount of tax credits that can be used to build a LIHTC project. In 2008, Congress adjusted the formula and set a minimum credit amount of 9%, which is based on the original credit rate when the program was created. The bill would extend the expiration date by changing the deadline to allocations made before January 1, 2017. In addition, the bill modifies the LIHTC provision to establish a 4% minimum credit rate under the LIHTC Program for the acquisition of existing housing that is not federally subsidized. Any existing housing that is also financed with tax-exempt bonds is not eligible for the 4% minimum credit rate. *This provision is estimated to cost $5 million over 10 years.*

3. Extension of treatment of military basic housing allowances under low-income housing credit

The bill extends a provision whereby any military basic housing allowance received by an active member of the military is not considered income for purposes of calculating whether an individual qualifies as a low-income tenant for the low income housing tax credit program. The provision expired at the end of 2014. The provision would continue this treatment for two additional years. *This provision is estimated to cost $42 million over 10 years.*

4. Extension of Indian employment tax credit

The bill extends, for two years, through 2016, the business tax credit for employers of qualified employees that work and live on or near an Indian reservation. The amount of the credit is 20 percent of the excess of wages and health insurance costs paid to qualified employees (up to $20,000 per employee) in the current year over the amount paid in 1993. *This provision is estimated to cost $126 million over 10 years.*

5. Extension and modification of new markets tax credit

The bill extends the New Markets Tax Credit (NMTC) for two years. In addition, the bill modifies the NMTC to provide a one-time increase in NMTC allocation authority so that $3.94 billion in allocation authority is available in 2015 and 2016. *This provision is estimated to cost $2.076 billion over 10 years.*

6. Extension and modification of credit for railroad track maintenance

The bill extends, for two years, through 2016, the railroad maintenance credit that provides Class II and Class III railroads (generally, short-line and regional railroads) with a tax credit equal to 50 percent of gross expenditures for maintaining railroad tracks that they own or lease. In addition, the bill modifies the provision to update the own or lease date for qualified track from January 1, 2005, to January 1, 2015. *This provision is estimated to cost $433 million over 10 years.*

7. Extension of mine rescue team training credit

The bill extends, for two years, through 2016, a credit of up to $10,000 for the training of mine rescue team members. *This provision is estimated to cost $4 million over 10 years.*

8. Extension and modification of employer wage credit for activated military reservists

The bill extends, for two years, through 2016, the provision that provides eligible employers with a credit against the employer's income tax liability for wage payments to activated military reservists. In addition, the bill modifies the provision. Under current law, this credit is only available for employers with less than 51 employees. The bill would allow the credit to employers of all sizes. Furthermore, the credit under current law is only for 20% of the first $20,000 in wages paid to deployed reservists and National Guard members; the bill would increase that percentage to 100%. *This provision is estimated to cost $258 million over 10 years.*

9. Extension and modification of work opportunity tax credit

This bill extends, for two years, through 2016, the provision that allows businesses to claim a work opportunity tax credit equal to a certain percentage of wages paid to new hires of one of nine targeted groups. The maximum credit varies by the targeted group. These groups include members of families receiving benefits under the Temporary Assistance to Needy Families (TANF) program, qualified veterans (including those who are unemployed, disabled, or receiving TANF), qualified ex-felons, designated community residents, vocational rehabilitation referrals, qualified summer youth employees, qualified food and nutrition recipients, qualified SSI recipients, and long-term family assistance recipients. In addition, the bill modifies the provision to add the long-term unemployed as a new targeted group. An employer hiring someone who has exhausted their unemployment insurance benefits would be eligible for a 40 percent credit on the first $6,000 of wages paid that first year, or a maximum credit of $2,400 per employee. *This provision is estimated to cost $3.147 billion over 10 years.*

10. Extension and modification of qualified zone academy bonds (QZABs)

QZABs are a form of tax credit bond which offer the holder a Federal tax credit instead of interest. QZABs can be used to finance renovations, equipment purchases, developing course material, and training teachers and personnel at a qualified zone academy. In general, a qualified zone academy is any public school (or academic program within a public school) below college level that is located in an empowerment zone or enterprise community and is designed to cooperate with businesses to enhance the academic curriculum and increase graduation and employment rates. The bill extends the QZAB program through 2016. In addition, the bill modifies the provision to reduce the private sector contributions requirement from 10 percent to 5 percent. *This provision is estimated to cost $258 million over 10 years.*

11. Extension of three-year depreciation for racehorses

The bill extends, for two years, through 2016, the three year cost recovery period for all racehorses. *This provision is estimated to cost $5 million over 10 years.*

12. Extension of 15-year straight-line cost recovery for qualified leasehold improvements, qualified restaurant buildings and improvements, and qualified retail improvements

The bill extends, for two years, through 2016, the temporary 15-year cost recovery period for certain leasehold, restaurant, and retail improvements, and new restaurant buildings, which are placed in service before January 1, 2017. The extension is effective for qualified property placed in service after December 31, 2014. *This provision is estimated to cost $4.928 billion over 10 years.*

13. Extension of 7-year recovery period for motorsports entertainment complexes

The bill extends, for two years, through 2016, the seven year cost recovery period for property used for land improvements and support facilities at motorsports entertainment complexes. *This provision is estimated to cost $95 million over 10 years.*

14. Extension and modification of accelerated depreciation for business property on Indian reservation

The bill extends, for two years, through 2016, the placed-in-service date for the special accelerated depreciation recovery periods for qualified Indian reservation property. In addition, the bill modifies the provision by providing an election out of the accelerated depreciation rules by a taxpayer for business property placed in service on Indian reservations under Section 168(j), similar to the election out allowed for bonus depreciation and several other accelerated depreciation measures in Section 168. Specifically, the bill provides that a taxpayer may elect out of section 168(j) for qualified Indian reservation property placed in service after December 31, 2014 and before January 1, 2017. *This provision is estimated to cost $151 million over 10 years.*

15. Extension of bonus depreciation and AMT in lieu of bonus depreciation:

a. The bill extends 50 percent bonus depreciation to qualified property purchased and placed in service before January 1, 2017 (before January 1, 2018 for certain longer-lived and transportation assets). It also makes a conforming change to the percentage of completion rules for certain long term contracts. *This provision is estimated to cost $3.042 billion over 10 years.*

b. Under current law, a taxpayer has the option to forgo bonus depreciation in favor of accelerating corporate Alternative Minimum Tax (AMT) credits acquired in tax years prior to 2006. This provision would extend the election to accelerate AMT credits for two years, through 2016. *This provision is estimated to cost $529 million over 10 years.*

16. Extension of enhanced charitable deduction for contributions of food inventory

The bill extends, for two years, the provision allowing businesses to claim an enhanced deduction for the contribution of food inventory. *This provision is estimated to cost $262 million over 10 years.*

17. Extension and modification of section 179 small business expensing.

For taxable years beginning in 2015 and thereafter, a taxpayer may immediately expense up to $25,000 of Section 179 property annually, with a dollar for dollar phase-out of the maximum deductible amount for purchases in excess of $200,000. The bill increases the maximum amount and phase-out threshold in 2015 and 2016 to the levels in effect in 2010 through 2014 ($500,000 and $2 million respectively). The bill also extends the definition of Section 179 property to include computer software and $250,000 of the cost of qualified leasehold improvement property, qualified restaurant property, and qualified retail improvement property for two years. In addition, the bill modifies the provision by indexing for inflation the $500,000 expensing limitation and $2,000,000 phase-out limitation for taxable years beginning after 2014. *This provision is estimated to cost $3.476 billion over 10 years.*

18. Extension of election to expense mine safety equipment

The bill extends, for two years, through 2016, the provision that allows 50 percent immediate expensing for the following advanced underground mine safety equipment: (1) communications technology enabling miners to remain in constant contact with individuals above ground; (2) electronic tracking devices that enable individuals above ground to locate miners in the mine at all times; (3) self-rescue emergency breathing apparatuses carried by the miners and additional oxygen supplies stored in the mine; and (4) mine atmospheric monitoring equipment to measure levels of carbon monoxide, methane, and oxygen in the mine. *This provision is estimated to have no revenue effect.*

19. Extension and modification of expensing for certain film and television productions

The bill extends, for two years, through 2016, the section 181 provision that allows film and television producers to expense the first $15 million of production costs incurred in the United States ($20 million if the costs are incurred in economically depressed areas in the United States). In addition, the bill modifies the section 181 provision to allow qualified live theatrical productions commencing after December 31, 2014 to qualify. *This provision is estimated to cost $28 million.*

20. Extension of deduction for domestic production activities in Puerto Rico

The bill extends, for two years, the provision extending the section 199 domestic production activities deduction to activities in Puerto Rico. *This provision is estimated to cost $234 million over 10 years.*

21. Extension of modification of tax treatment of certain payments to controlling exempt organizations

In general, interest, rent, royalties, and annuities paid to a tax-exempt organization from a controlled entity are treated as unrelated business income of the tax-exempt organization. The Pension Protection Act (PPA) provided that if a payment to a tax-exempt organization by a controlled entity is no more than fair market value, then the payment is excludable from the tax-exempt organization's unrelated business income. The bill extends the provision two years to the end of 2016. *This provision is estimated to cost $34 million over 10 years.*

22. Extension of treatment of certain dividends of regulated investment companies (RICs)

The bill extends a provision allowing a RIC, under certain circumstances, to designate all or a portion of a dividend as an "interest-related dividend," by written notice mailed to its shareholders not later than 60 days after the close of its taxable year. In addition, an interest-related dividend received by a foreign person generally is exempt from U.S. gross-basis tax under sections 871(a), 881, 1441 and 1442 of the Code. The provision extends the treatment of interest-related dividends and short-term capital gain dividends received from a RIC to taxable years of the RIC beginning before January 1, 2017. *This provision is estimated to cost $208 million over 10 years.*

23. Extension of definition of RICs as qualified investment entities under FIRPTA

The bill extends the inclusion of a RIC within the definition of a "qualified investment entity" under section 897 of the Tax Code through December 31, 2016. *This provision is estimated to cost $102 million over 10 years.*

24. Extension of exceptions under subpart F for active financing income

The U.S. parent of a foreign subsidiary engaged in a banking, financing, or similar business is eligible for deferral of tax on such subsidiary's earnings if the subsidiary is predominantly engaged in such business and conducts substantial activity with respect to such business. The subsidiary must pass an entity level income test to demonstrate that the income is active income and not passive income. The provision extends the provision to the end of 2016. *This provision is estimated to cost $13.450 billion over 10 years.*

25. **Extension of look-through treatment of payments between related controlled foreign corporations under the foreign personal holding company rules**

The bill extends the application of the look-thru rule to taxable years of foreign corporations beginning before January 1, 2017, and to taxable years of U.S. shareholders with or within which such taxable years of foreign corporations end. The provision is effective for tax years beginning after December 31, 2014. *This provision is estimated to cost $2.724 billion over 10 years.*

26. Extension of special rules for qualified small business stock

Generally, non-corporate taxpayers may exclude 50 percent of the gain from the sale of certain small business stock acquired at original issue and held for more than five years. For stock acquired after September 27, 2010 and before January 1, 2015, the exclusion is 100 percent and the AMT preference item attributable for the sale is eliminated. The bill extends the 100 percent exclusion of the gain from the sale of qualifying small business stock that is acquired before January 1, 2017 and held for more than five years. *This provision is estimated to cost $3.167 billion over 10 years.*

27. Extension of basis adjustment to stock of S corporations making charitable contributions of property

The bill extends, for two years, the provision allowing S corporation shareholders to take into account their pro-rata share of charitable deductions even if such deductions would exceed such shareholder's adjusted basis in the S corporation. *This provision is estimated to cost $102 million over 10 years.*

28. Extension of reduction in S corporation recognition period for built-in gains tax

If a taxable corporation converts into an S corporation, the conversion is not a taxable event. However, following such a conversion, an S corporation must hold its assets for a certain period in order to avoid a tax on any built-in gains that existed at the time of the conversion. The American Recovery and Reinvestment Act reduced that period from 10 years to 7 years for sales of assets in 2009 and 2010. The Small Business Jobs Act reduced that period to 5 years for sales of assets in 2011. The bill extends the reduced 5-year holding period for sales occurring in 2015 and 2016. *This provision is estimated to cost $419 million over 10 years.*

29. Extension and modification of empowerment zone tax incentives

The Omnibus Budget Reconciliation Act of 1993 authorized the designation of nine empowerment zones to provide tax incentives for businesses to locate within certain targeted areas. The provision extends, for two years, through December 31, 2016, the period for which the designation of an empowerment zone is in effect, thus extending for two years the empowerment zone tax incentives, including the wage credit, increased section 179 expensing for qualifying equipment, tax-exempt bond financing, and deferral of capital gains tax on sale of qualified assets replaced with other qualified assets. In addition, the bill modifies the provision. State and local governments can issue enterprise zone facility bonds to raise funds to provide an enterprise zone business with qualified zone property. The provision would modify the requirements for these bonds to treat an employee as a resident of an empowerment zone for purposes of the 35% in-zone employment requirement if they are a resident of a qualified low-income community within an applicable nominating jurisdiction. *This provision is estimated to cost $647 million over 10 years.*

30. Extension of temporary increase in limit on cover over of rum excise tax revenues (from $10.50 to $13.25 per proof gallon) to Puerto Rico and the Virgin Islands

The bill extends, for two years, the provision providing for payment of $13.25 per gallon to cover over a $13.50 per proof gallon excise tax on distilled spirits produced in or imported into the United States. *This provision is estimated to cost $336 million over 10 years.*

31. Extension of American Samoa economic development credit

Certain domestic corporations operating in American Samoa are eligible for a possessions tax credit, which offsets their U.S. tax liability on income earned in American Samoa from active business operations, sales of assets used in a business, or certain investments in American Samoa. The bill extends the provision two years to the end of 2016 and modifies the credit to make it available to all qualifying manufacturing businesses operating in American Samoa. *This provision is estimated to cost $33 million over 10 years.*

Energy Provisions

1. Extension and modification of credit for nonbusiness energy property (Section 25C)

The bill extends, for two years, through 2016, the 10 percent credit for purchases of energy efficient improvements to existing homes. Homeowners can claim up to $200 for energy efficient windows, up to $150 for an efficient furnace or boiler, and up to $300 for other improvements, including insulation. The total credit is capped at $500 per taxpayer. The bill also modifies the provision by requiring windows, doors, and skylights to meet recent Energy Star requirements; by adjusting qualifications for water heaters and boilers; and by allowing energy efficient roofing products to qualify. *This provision is estimated to cost $1.387 billion over 10 years.*

2. Extension of alternative motor vehicle credit for qualified fuel cell motor vehicles

The bill extends, for two years, through 2016, the credit for new fuel cell motor vehicles. For vehicles fueled by combining hydrogen with oxygen to create electricity, taxpayers can claim a base credit $4,000 credit for cars and light trucks. Taxpayers can claim up to $40,000 for heavier vehicles, depending on their weight. *This provision is estimated to cost $6 million over 10 years.*

3. Extension of credit for alternative fuel vehicle refueling property

The bill extends, for two years, through 2016, the 30% investment tax credit for alternative vehicle refueling property. Eligible refueling property includes fuel pumps for ethanol, biodiesel, liquefied hydrogen, and compressed or liquefied natural gas. *This provision is estimated to cost $112 million over 10 years.*

4. Extension of cellulosic biofuels producer tax credit

Under current law, facilities producing cellulosic biofuel can claim a $1.01 per gallon production tax credit on fuel produced before the end of 2014. The bill would extend this production tax credit for two additional years, for cellulosic biofuel produced through 2016. *This provision is estimated to cost $45 million over 10 years.*

5. Extension and modification of incentives for biodiesel and renewable diesel

The bill extends, for two years, through 2016, the $1.00 per gallon tax credit for biodiesel, as well as the small agri-biodiesel producer credit of 10 cents per gallon. The bill also extends through 2016 the $1.00 per gallon tax credit for diesel fuel created from biomass. In addition, the bill modifies the provision by converting the incentives for biodiesel and renewable diesel into an incentive for producers of such fuel in the United States. *This provision is estimated to cost $2.473 billion over 10 years.*

6. Extension of Indian country coal production tax credit

Under current law, coal produced on land owned by an Indian tribe qualifies for a production tax credit equivalent to $2 per ton. This provision would extend this tax credit through 2016. *This provision is estimated to cost $75 million over 10 years.*

7. Extension of renewable production tax credit

Under current law, taxpayers can claim a 2.3 cent per kilowatt hour tax credit for wind and other renewable electricity produced for a 10-year period from a facility that has commenced construction by the end of 2014 (the production tax credit). They can also elect to take a 30 percent investment tax credit instead of the production tax credit. The bill extends these credits through December 31, 2016. *This provision is estimated to cost $10.492 billion over 10 years.*

8. Extension of credit for construction of new energy efficient homes

The bill extends, for two years, through 2016, the credit for the construction of energy-efficient new homes that achieve a 30% or 50% reduction in heating and cooling energy consumption relative to a comparable dwelling constructed within the standards of the 2003 International Energy Conservation Code (including supplements). *This provision is estimated to cost $760 million over 10 years.*

9. Extension of allowance for second generation biofuel plant property

The bill extends the present law depreciation allowance for two years, to qualified second generation biofuel plant property placed in service prior to January 1, 2017. This applies to property placed in service after December 31, 2014. *This provision is estimated to cost less than $500,000 over 10 years.*

10. Extension and modification of energy efficient commercial buildings deduction

The bill extends, for two years, through 2016, the deduction for energy efficient improvements to commercial buildings. The improvement can be made through efficient lighting systems, heating, cooling, ventilation, and hot water systems. In addition, the bill modifies the provision to update the qualifying efficiency standards to a more stringent level, and it allows tribal governments and nonprofits to allocate the deduction to designers. *This provision is estimated to cost $315 million over 10 years.*

11. Extension of rule for sales or dispositions to implement FERC or State electric restructuring policy for qualified electric utilities

The bill extends, for two years, the treatment under the present-law deferral provision to sales or dispositions by a qualified electric utility that occur prior to January 1, 2017. *This provision is estimated to have no revenue effect over 10 years.*

12. Extension of alternative fuel credit and alternative fuel mixture credit

The bill extends through 2016 the $0.50 per gallon alternative fuel tax credit and alternative fuel mixture tax credit. See item 2 in the section entitled "Revenue Raising Provisions in the Bill" for a description of a modification to the alternative fuel credit. *This provision is estimated to cost $918 million over 10 years.*

13. Extension of credit for two-wheeled plug-in electric vehicles

The bill includes, for two years, 2015 and 2016, the individual income tax credit for highway-capable plug-in motorcycles. Three-wheeled vehicles do not qualify. *This provision is estimated to cost $4 million over 10 years.*

Revenue Raising Provisions in the Bill

1. Exclude certain clean coal power grants from income

Section 402 of the Energy Policy Account of 2005 provides criteria for Federal financial assistance under the Clean Coal Power Initiative. To the extent the financial assistance comes in the form of a grant, award or allowance, it generally must be included in income. However, corporate taxpayers may be able to exclude this from income as a contribution to capital under section 118 of the Code. The bill would extend eligibility for this exclusion to eligible non-corporate recipients of this financial assistance. To be eligible, the non-corporate recipient of such financial assistance must pay an upfront payment to the Federal government of 1.18 percent of the value of the grant, award, or allowance, and it must have qualified for relief under section 118 if the taxpayer had been a corporation. *This provision is estimated to raise $6 million over 10 years.*

2. To make modifications to the Alternative Fuels Tax Credit and Excise Tax for Liquefied Natural Gas (LNG) and Liquefied Petroleum Gas (LPG)

Modifications to the Alternative Fuels Tax Credit for LNG and LPG. The alternative fuel credit is 50 cents per gallon of alternative fuel or gasoline gallon equivalents of nonliquid alternative fuel sold by the taxpayer for use as a motor fuel in a motor vehicle or motorboat, sold for use in aviation or so used by the taxpayer. The bill modifies the alternative fuel credit for LNG to be calculated on a per gallon energy equivalent basis with a gallon of diesel. The provision also modifies the alternative fuel tax credit for LPG to be calculated on a per gallon energy equivalent basis with a gallon of gasoline.

(It should be noted that, since the Finance Committee marked up on July 21, 2015, a provision providing for LNG and LPG equalization has been enacted into law in another bill.)

Liquefied Natural Gas (LNG) Excise Tax Equalization. LNG is taxed at the same per-gallon rate as diesel fuel at 24.3 cents per gallon, though it contains less energy content per gallon than diesel, meaning it takes more than one gallon of LNG to travel the same distance as a gallon of diesel. This provision lowers the LNG tax rate so that the LNG tax rate is equal on an energy content basis rather than a volume basis (approximately 14.1 cents per gallon).

Liquefied Petroleum Gas (LPG) Excise Tax Equalization. Propane is taxed at the same per-gallon rate as gasoline at 18.3 cents per gallon, though it contains less energy content per gallon than gasoline, meaning it takes more than one gallon of propane to travel the same distance as a gallon of gasoline. This provision lowers the propane tax rate so that the propane and gasoline tax rates are equal on an energy content basis rather than a volume basis (approximately 13.2 cents per gallon). *This provision raises $117 million over 10 years.*

3. Improve mortgage interest reporting

(It should be noted that, since the Finance Committee marked up on July 21, 2015, this provision has been enacted into law in another bill.)

The provision amends Section 6050H(b)(2) to require third parties to provide additional information on returns relating to mortgage interest, including: (a) the amount of outstanding principal on the mortgage as of the beginning of the calendar year, (b) the address of the property securing the mortgage, and (c) the date of the origination of the mortgage. The provision applies to returns and statements due after December 31, 2016. *This provision has no revenue effect since it's already been enacted into law.*

4. Allow eligible payroll service companies to be treated as the employer for film and television production workers

The provision would allow eligible payroll service companies to continue to be treated as the employer of film and television production workers for purposes of calculating Federal employment taxes. *This provision is estimated to raise $45 million over 10 years.*

Sense of the Senate

Sense of the Senate to express support for comprehensive tax reform

This provision expresses the sense of the Senate that Congress should pursue comprehensive tax reform that eliminates temporary provisions from the tax code, thus making permanent those provisions that merit such treatment and allowing others to expire, and that a major focus of tax reform should be fostering economic growth and lowering tax rates by broadening the tax base. *This provision has no revenue effect.*