

OOPS THEY DID IT AGAIN! Congress extends the extenders

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On February 9, 2018 as part of the continuing resolution to fund the government through March 23rd, Congress extended some tax deductions and credits through the end of 2017. Why you ask? Taxpayers have already relied on and expected that these deductions and credits would be available for 2017. However, in December, these items were sidelined with the passage of the New Tax and Jobs Act. Most Taxpayers were unaware that these had expired last year.

So thanks to the D.C. Theater, here are a few of the major provisions back for an encore performance to hit your taxes one last time.

For Individuals:

- Above-the-line deduction for qualified tuition and related expenses
- Mortgage insurance premiums treated as qualified residence interest
- Credit for nonbusiness energy property (energy home improvements)
- Credit for new qualified fuel cell motor vehicles (such as electric cars)

For Businesses:

- Classification of certain race horses as 3-year property
- Treatment of Timber gains for C Corporations
- Empowerment zone tax credits
- Credit for energy-efficient new homes
- Biodiesel and renewable diesel incentives
- Energy efficient commercial buildings deduction
- Credit for residential energy efficient property (extended at 26% to 2020 and 22% in 2021)
- Investment Tax Credit for solar, fuel cell, wind and thermal energy (construction beginning before 2022)

With the exception of a few minor ones, these all have an expiration date of December 31, 2017. Due to the tax reform and simplification contained in the Tax Cuts and Jobs Act passed late last year, we do not foresee these provisions being extended again.

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Victoria has over 25 years of experience in providing tax consulting, compliance and tax audit representation to closely held businesses and the owners of closely held businesses. She delivers a full range of tax services in covering federal and multi-state laws and regulations for partnerships, S and C corporations, and individuals.