



Congress Pessimistic on Passing Tax Extenders by End of 2019

Senate Finance Committee Chairman Chuck Grassley (R-IA) told reporters he is pessimistic that Congress will be able to pass tax extenders legislation by the end of the year and blamed congressional Democrats for a lack of urgency on the issue. Senate Finance Committee Ranking Member Ron Wyden (D-OR) says that he and Chairman Grassley, along with Democrats and Republicans on the House Ways and Means Committee, continue to negotiate a comprehensive tax package but there remains major disagreements between the two sides.

House Democrats favor extending all of the tax incentives that expired in 2017 while also expanding both the Earned Income Tax Credit (EITC) and the Child and Dependent Care Tax Credit (CDCTC) and rolling back the increased estate tax exemption by three years from 2025 to 2022. Republicans say the Democrats' demands are too costly and any efforts to roll back the estate tax exemption are a nonstarter.

Meanwhile, congressional Republicans are hoping to include a series of technical corrections to the 2017 Tax Cuts and Jobs Act (TCJA) in any potential end of the year tax package. This includes fixing the drafting error in the TCJA which made qualified improvement property (QIP) ineligible for bonus depreciation. However, Democrats on the Senate Finance Committee and House Ways and Means Committee say Republicans will have to give up something in return for any fixes to the TCJA.