

— IPED Conference | June 2025



Legislative Update



Presenters





HTCC

HTC-GO



Historic Tax Credit Growth & Opportunity Act

HTC-GO (H.R. 2941/S. 1459)

Sponsors

- / Rep. LaHood (R-IL) / Rep. Souzzi (D-NY)
- / Sen. Cassidy (R-LA) / Sen. Warner (D-VA)

Provisions

- / Returns Delivery of HTC from 5 years to 1 year
- / Lowers Substantial Rehabilitation Threshold
- / Eliminates the HTC Basis Adjustment
- / Makes the HTC Easier to Use for Non-Profit Organizations
- / Increases the credit from 20% to 30% for smaller and rural projects and allows these credits to be transferred



The Historic Tax Credit (HTC)

Encourages private investment to revitalize often vacant & underutilized historic properties

- / Fills Financing Gaps Between What Banks Will Lend & What the Project Will Cost
- / 20% Federal Tax Credit on Rehabilitation Costs of Certified Historic Properties
- / HTC is Delivered to Property Owner over 5 years (4% per year) after Building is Placed-In-Service and Final NPS Part 3 Approval
- / Represents the Largest Federal Financial Investment in Historic Preservation



Federal HTC Economic Impacts | 1977 - 2023

49,000+

Historic buildings saved

\$44.3B

Total HTCs generated

\$50.3B

Federal tax revenue generated

\$235B

HTC financed investment

3.2M+

Direct and indirect jobs created

665,000+

housing units created/
rehabbed, including
~200,000 low- and
moderate- income unites

Federal HTC Challenges

Sky-rocketing costs & increasing financing gaps

- / Financing challenges from IRS guidance & spread of credit over 5-years (TCJA-2017)
- / Difficult for smaller projects to monetize credits
- / HTC part 2 applications are down approximately 20%



Improving the HTC

Support HTC-GO provisions in the 2025 Tax Bill to make the Federal Historic Tax Credit more valuable & easier to use by:

- / Returning the HTC to a one-year credit
- / Eliminating the basis adjustment
- / Making more historic buildings eligible to use the HTC
- / Enhancing the HTC for smaller/rural projects

Message to Congress:

Co-Sponsor the Historic Tax Credit Growth and Opportunity Act [HTC-GO (H.R. 2941/S. 1459)] and include provisions in the emerging tax bill!

Improving the HTC

Senate Finance Committee and House Ways and Means Committee

Chairman, Mike Crapo (R-ID)	Sen. Steve Daines (R-MT)
Sen. Chuck Grassley (R-IA)	Sen. Todd Young (R-IN)
Sen. John Cornyn (R-TX)	Sen. John Barrasso (R-WY)
Sen. John Thune (R-SD)	Sen. Ron Johnson (R-WI)
Sen. Tim Scott (R-SC)	Sen. Thom Tillis (R-NC)
Sen. Bill Cassidy (R-LA)	Sen. Marsha Blackburn (R-TN)
Sen. James Lankford (R-OK)	Sen. Roger Marshall (R-KS)

Chairman Jason Smith (R-8-MO)	Rep. Ron Estes (KS-4)	Rep. Kevin Hern (OK-1)
Rep. David Schweikert (AZ-1)	Rep. Michelle Fishbach (MN-7)	Rep. Brian Fitzpatrick (PA-1)
Rep. Vern Buchanan (FL-16)	Rep. Greg Murphy (NC-3)	Rep. Lloyd Smucker (PA-11)
Rep. Greg Stuebe (R-17-FL)	Rep. Adrian Smith (NE-3)	Rep. David Kustoff (TN-8)
Rep. Aaron Bean (FL-4)	Rep. Claudia Tenney (R-24-NY)	Rep. Beth Van Duyne (TX-24)
Rep. Randy Feenstra (IA-4)	Rep. Brad Wenstrup (OH-2)	Rep. Jody Arrington (TX-19)
Rep. Darin LaHood (R-16-IL)	Rep. Max Miller (OH-7)	Rep. Blake Moore (R-1-UT)
Rep. Rudy Yakym (IN-2)	Rep. Mike Carey (R-15-OH)	Rep. Carol Miller (WV-1)

**Constituents
and project
sponsors should
contact tax
writers ASAP!**

Budget Reconciliation

A process to pass a budget bill that avoids the Senate filibuster:

- / Byrd Bath Considerations
- / Must have a Budget Impact
- / Special rules and protections, unlocked by passing a Budget

Table 1. Budget Resolutions and Resultant Reconciliation Acts: FY1981-Present

Fiscal Year	Budget Resolution	Resultant Reconciliation Act(s)	Date Enacted
1981	H.Con.Res. 307	Omnibus Reconciliation Act of 1980 (P.L. 96-499)	12/05/80
1982	H.Con.Res. 115	Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35)	08/13/81
1983	S.Con.Res. 92	Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248)	09/03/82
		Omnibus Budget Reconciliation Act of 1982 (P.L. 97-253)	09/08/82
1984	H.Con.Res. 91	Omnibus Budget Reconciliation Act of 1983 (P.L. 98-270)	04/18/84
1986	S.Con.Res. 32	Consolidated Omnibus Budget Reconciliation Act of 1985 (P.L. 99-272)	04/07/86
1987	S.Con.Res. 120	Omnibus Budget Reconciliation Act of 1986 (P.L. 99-509)	10/21/86
1988	S.Con.Res. 93	Omnibus Budget Reconciliation Act of 1987 (P.L. 100-203)	12/22/87
1990	H.Con.Res. 106	Omnibus Budget Reconciliation Act of 1989 (P.L. 101-239)	12/19/89
1991	H.Con.Res. 310	Omnibus Budget Reconciliation Act of 1990 (P.L. 101-508)	11/05/90
1994	H.Con.Res. 64	Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)	08/10/93
1996	H.Con.Res. 67	Balanced Budget Act of 1995	12/06/95 (vetoed)
1997	H.Con.Res. 178	Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193)	08/22/96
1998	H.Con.Res. 84	Balanced Budget Act of 1997 (P.L. 105-33)	08/05/97
		Taxpayer Relief Act of 1997 (P.L. 105-34)	08/05/97
2000	H.Con.Res. 68	Taxpayer Refund and Relief Act of 1999 (H.R. 2488)	09/23/99 (vetoed)
2001	H.Con.Res. 290	Marriage Tax Relief Reconciliation Act of 2000 (H.R. 4810)	08/05/00 (vetoed)
2002	H.Con.Res. 83	Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16)	06/07/01
2004	H.Con.Res. 95	Jobs and Growth Tax Relief Reconciliation Act of 2003 (P.L. 108-27)	05/28/03
2006	H.Con.Res. 95	Deficit Reduction Act of 2005 (P.L. 109-171)	02/08/06
		Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222)	05/17/06
2008	S.Con.Res. 21	College Cost Reduction and Access Act of 2007 (P.L. 110-84)	09/27/07
2010	S.Con.Res. 13	Health Care and Education Reconciliation Act of 2010 (P.L. 111-152)	03/30/2010
2016	S.Con.Res. 11	Restoring Americans' Healthcare Freedom Reconciliation Act of 2015	01/08/2016 (vetoed)

Source: Prepared by the Congressional Research Service.

D. Provisions Expiring in 2025

Provision (Code section)	Expiration Date
1. Modification of individual income tax rates (sec. 1(j))	12/31/25
2. Child tax credit: Increased credit amount, increased refundable amount, reduced earned income threshold, and modification of identification requirements (sec. 24(h))	12/31/25
3. New markets tax credit (sec. 45D(f)(1)) ¹²	12/31/25
4. Beginning-of-construction date for certain qualified carbon oxide sequestration facilities (sec. 45Q(d)(1))	12/31/25
5. Employer credit for paid family and medical leave (sec. 45S(i))	12/31/25
6. Beginning-of-construction date for offshore wind facilities eligible to claim the investment credit in lieu of the renewable electricity production credit (sec. 48(a)(5)) ¹³	12/31/25
7. Work opportunity credit (sec. 51(c)(4))	12/31/25
8. Increase in exemption amount and phaseout threshold of individual AMT (sec. 55)	12/31/25

¹² Subject to a carryover. No amount may be carried to any calendar year after 2030. Sec. 45D(f)(3).

¹³ December 31, 2021, in the case of other wind facilities.

Provision (Code section)	Expiration Date
9. Rate on modified taxable income and treatment of credits in the calculation of base erosion minimum tax amount (sec. 59A(b)(2))	12/31/25
10. Increase in standard deduction of individuals (sec. 63(c)(7))	12/31/25
11. Suspension of miscellaneous itemized deduction (sec. 67(g))	12/31/25
12. Suspension of limitation on itemized deductions (sec. 68(f))	12/31/25
13. Exclusion from gross income of discharge of indebtedness on principal residence (sec. 108(a)(1)(E))	12/31/25
14. Special rule for certain discharges of student loans (sec. 108(f)(5))	12/31/25
15. Exclusion for certain employer payments of student loans (sec. 127(e)(1)(B))	12/31/25
16. Suspension of exclusion for reimbursement of bicycle commuting (sec. 132(f)(8))	12/31/25
17. Suspension of exclusion for moving expense reimbursement (sec. 132(g)(2))	12/31/25
18. Suspension of deduction for personal exemptions (sec. 151(d)(5))	12/31/25



Provision (Code section)	Expiration Date
19. Limitation on deduction for qualified residence interest, suspension of deduction for home equity interest (sec. 163(h)(3)(F))	12/31/25
20. Limitation on deduction for State, local, etc., taxes (sec. 164(b)(6))	12/31/25
21. Personal casualty losses limited to Federally declared disaster areas (sec. 165(h)(5))	12/31/25
22. Modification of rules relating to computation of wagering losses (sec. 165(d))	12/31/25
23. Seven-year recovery period for motorsports entertainment complexes (sec. 168(e)(3)(C)(ii) and (i)(15)(D))	12/31/25
24. Increase in percentage limitation on cash contributions to public charities (sec. 170(b)(1)(G))	12/31/25
25. Special expensing rules for certain film, television, and live theatrical productions (sec. 181(g)) ¹⁴	12/31/25
26. Qualified business income deduction (sec. 199A(i))	12/31/25

¹⁴ Qualified film, television, and live theatrical productions (as defined in section 181(d) and (e)) are eligible for the additional first-year depreciation allowance under section 168(k) if (1) acquired and placed in service after September 27, 2017, and before January 1, 2027, and (2) a deduction otherwise would have been allowable under section 181 without regard to the dollar limitation or termination of that section. See sec. 168(k)(2)(A)(i)(IV) and (V).

Provision (Code section)	Expiration Date
27. Suspension of deduction for moving expenses (sec. 217(k))	12/31/25
28. Deduction percentages for foreign-derived intangible income and global intangible low-taxed income (sec. 250(a)(3))	12/31/25
29. Deductibility of employer <i>de minimis</i> meals and related eating facility, and meals for the convenience of the employer (sec. 274(o))	12/31/25
30. Transfer of excess pension assets to retiree health and life insurance accounts (sec. 420(b)(4))	12/31/25
31. ABLÉ accounts (sec. 529A):	
a. Contributions eligible for saver's credit (sec. 25B(d)(1)(D))	12/31/25
b. Rollovers from qualified tuition programs permitted (sec. 529(c)(3)(C)(i)(III))	12/31/25
c. Increase in contributions limit (sec. 529A(b)(2)(B))	12/31/25
32. Look-through treatment of payments between related controlled foreign corporations under the foreign personal holding company rules (sec. 954(c)(6)(C))	12/31/25



Provision (Code section)	Expiration Date
33. Empowerment zone tax incentives: ¹⁵	
a. Designation of an empowerment zone and of additional empowerment zones (sec. 1391(d)(1)(A)(i) and (h)(2))	12/31/25
b. Empowerment zone tax-exempt bonds (secs. 1394 and 1391(d)(1)(A)(i))	12/31/25
c. Empowerment zone employment credit (secs. 1396 and 1391(d)(1)(A)(i))	12/31/25
34. Increase in estate and gift tax exemption (sec. 2010(c)(3)(C))	12/31/25
35. Oil Spill Liability Trust Fund financing rate (sec. 4611(f)(2))	12/31/25
36. Treatment of certain individuals performing services in the Sinai Peninsula of Egypt (sec. 11026 of Public Law 115-97)	12/31/25

¹⁵ The empowerment zone tax incentives may expire before December 31, 2025, if a State or local government provides for an earlier termination date.

E. Provisions Expiring in 2026

Provision (Code section)	Expiration Date
1. Additional first-year depreciation with respect to qualified property (secs. 168(k)(2)(A)(iii) and 460(c)(6)(B)) ¹⁶	12/31/26
2. Election of additional depreciation for certain plants bearing fruits and nuts (sec. 168(k)(5)(A)) ¹⁷	12/31/26
3. Limitation on excess business losses of noncorporate taxpayers (sec. 461(l))	12/31/26
4. Election to invest capital gains in an opportunity zone (sec. 1400Z-2(a)(2)(B))	12/31/26

¹⁶ Subject to a phasedown in 2023-2026. December 31, 2027, for certain longer-lived and transportation property (subject to a phasedown in 2024-2027). Sec. 168(k)(2)(B)(i)(II) and (6)(A) and (B).

¹⁷ Subject to a phasedown in 2023-2026. Sec. 168(k)(6)(C).



CONTENTS

	<u>Page</u>
INTRODUCTION	1
SUBTITLE A—MAKE AMERICAN FAMILIES AND WORKERS THRIVE AGAIN	2
PART I—PERMANENTLY PREVENTING TAX HIKES ON AMERICAN FAMILIES AND WORKERS.....	2
A. Extension of Modification of Rates	2
B. Extension of Increased Standard Deduction and Temporary Enhancement.....	8
C. Termination of Deduction for Personal Exemptions	10
D. Extension of Increased Child Tax Credit and Temporary Enhancement	12
E. Extension of Deduction for Qualified Business Income and Permanent Enhancement.....	18
F. Extension of Increased Estate and Gift Tax Exemption Amounts and Permanent Enhancement.....	23
G. Extension of Increased Alternative Minimum Tax Exemption and Phase-out Thresholds.....	25
H. Extension of Limitation on Deduction for Qualified Residence Interest	29
I. Extension of Limitation on Casualty Loss Deduction	31
J. Termination of Miscellaneous Itemized Deductions	32
K. Limitation on Tax Benefit of Itemized Deductions	34
L. Termination of Qualified Bicycle Commuting Reimbursement Exclusion.....	35
M. Extension of Limitation on Exclusion and Deduction for Moving Expenses	36
N. Extension of Limitation on Wagering Losses.....	38
O. Extension of Increased Limitation on Contributions to ABLE Accounts and Permanent Enhancement.....	39
P. Extension of Savers Credit Allowed for ABLE Contributions.....	44
Q. Extension of Rollovers from Qualified Tuition Programs to ABLE Accounts Permitted.....	47
R. Extension of Treatment of Certain Individuals Performing Services in the Sinai Peninsula and Enhancement to Include Additional Areas.....	48
S. Extension of Exclusion from Gross Income of Student Loans Discharged on Account of Death or Disability.....	50
PART II—ADDITIONAL TAX RELIEF FOR AMERICAN FAMILIES AND WORKERS ...	53
A. No Tax on Tips	53
B. No Tax on Overtime	61
C. Enhanced Deduction for Seniors	66
D. No Tax on Car Loan Interest	68
E. Enhancement of Employer-Provided Child Care Credit	71
F. Extension and Enhancement of Paid Family and Medical Leave Credit.....	75
G. Enhancement of Adoption Credit	79
H. Recognizing Indian Tribal Governments for Purposes of Determining Whether a Child Has Special Needs for Purposes of the Adoption Credit	82
I. Tax Credit for Contributions of Individuals to Scholarship Granting Organizations.....	84

J. Additional Elementary, Secondary, and Home School Expenses Treated as Qualified Higher Education Expenses for Purposes of 529 Accounts.....	90
K. Certain Postsecondary Credentialing Expenses Treated as Qualified Higher Education Expenses for Purposes of 529 Accounts	93
L. Reinstatement of Partial Deduction for Charitable Contributions of Individuals Who Do Not Elect to Itemize.....	94
M. Exclusion for Certain Employer Payments of Student Loans Under Educational Assistance Programs Made Permanent and Adjusted for Inflation	96
N. Extension of Rules for Treatment of Certain Disaster-Related Personal Casualty Losses.....	98
O. MAGA Accounts	101
PART III—INVESTING IN HEALTH OF AMERICAN FAMILIES AND WORKERS.....	106
A. Treatment of Health Reimbursement Arrangements Integrated with Individual Market Coverage	106
B. Participants in CHOICE Arrangement Eligible for Purchase of Exchange Insurance under Cafeteria Plan.....	113
C. Employer Credit for CHOICE Arrangement	116
D. Individuals Entitled to Part A of Medicare by Reason of Age Allowed to Contribute to Health Savings Accounts.....	117
E. Treatment of Direct Primary Care Service Arrangements.....	120
F. Allowance of Bronze and Catastrophic Plans in Connection with Health Savings Accounts	121
G. On-Site Employee Clinics.....	122
H. Certain Amounts Paid for Physical Activity, Fitness, and Exercise Treated as Amounts Paid for Medical Care	125
I. Allow Both Spouses to Make Catch-up Contributions to the Same Health Savings Account.....	127
J. FSA and HRA Terminations or Conversions to Fund HSAs	129
K. Special Rule for Certain Medical Expenses Incurred Before Establishment of Health Savings Account	135
L. Contributions Permitted If Spouse Has Health Flexible Spending Arrangement.....	136
M. Increase in Health Savings Account Contribution Limitation for Certain Individuals ...	137
N. Regulations	139
SUBTITLE B—MAKE RURAL AMERICA AND MAIN STREET GROW AGAIN	140
PART I—EXTENSION OF TAX CUTS AND JOBS ACT REFORMS FOR RURAL AMERICA AND MAIN STREET	140
A. Extension of Special Depreciation Allowance for Certain Property	140
B. Deduction of Domestic Research and Experimental Expenditures	147
C. Modified Calculation of Adjusted Taxable Income for Purposes of Business Interest Deduction	151
D. Extension of Deduction for Foreign-Derived Intangible Income and Global Intangible Low-Taxed Income.....	156
E. Extension of Base Erosion Minimum Tax Amount.....	163



PART II—ADDITIONAL TAX RELIEF FOR RURAL AMERICA AND MAIN STREET ..	166
A. Special Depreciation Allowance for Qualified Production Property.....	166
B. Renewal and Enhancement of Opportunity Zones	173
C. Increased Dollar Limitations for Expensing of Certain Depreciable Business Assets.....	187
D. Repeal of Revision to de Minimis Rules for Third Party Network Transactions.....	191
E. Increase in Threshold for Requiring Information Reporting with Respect to Certain\ Payees	197
F. Repeal of Excise Tax on Indoor Tanning Services.....	201
G. Exclusion of Interest on Loans Secured by Rural or Agricultural Real Property.....	202
H. Treatment of Certain Qualified Sound Recording Productions.....	204
I. Modifications to Low-Income Housing Credit.....	209
J. Increased Gross Receipts Threshold for Small Manufacturing Businesses.....	213
K. Global Intangible Low-Taxed Income Determined Without Regard to Certain Income Derived from Services Performed in the Virgin Islands.....	219
L. Extension and Modification of Clean Fuel Production Credit.....	222
SUBTITLE C—MAKE AMERICA WIN AGAIN.....	227
PART I—WORKING FAMILIES OVER ELITES	227
A. Termination of Previously-Owned Clean Vehicle Credit.....	227
B. Termination of Clean Vehicle Credit.....	230
C. Termination of Qualified Commercial Clean Vehicles Credit	235
D. Termination of Alternative Fuel Vehicle Refueling Property Credit	238
E. Termination of Energy Efficient Home Improvement Credit.....	241
F. Termination of Residential Clean Energy Credit.....	245
G. Termination of New Energy Efficient Home Credit.....	247
H. Phase-out and Restrictions on Clean Electricity Production Credit	249
I. Phase-out and Restrictions on Clean Electricity Investment Credit	267
J. Repeal of Transferability of Clean Fuel Production Credit.....	275
K. Restrictions on Carbon Oxide Sequestration Credit	280
L. Phase-Out and Restrictions on Zero-Emission Nuclear Power Production Credit.....	287
M. Termination of Clean Hydrogen Production Credit.....	290
N. Phase-out and Restrictions on Advanced Manufacturing Production Credit	294
O. Phase-out of Credit for Certain Energy Property.....	299
P. Income from Hydrogen Storage, Carbon Capture Added to Qualifying Income of Certain Publicly Traded Partnerships Treated as Corporations.....	303
Q. Limitation on Amortization of Certain Sports Franchises	305
R. Limitation on Individual Deductions for Certain State and Local Taxes, etc.	306
S. Excessive Employee Remuneration from Controlled Group Members and Allocation of Deduction.....	316
T. Expanding Application of Tax on Excess Compensation within Tax-Exempt Organizations	319
U. Modification of Excise Tax on Investment Income of Certain Private Colleges and Universities	323
V. Increase in Rate of Tax on Net Investment Income of Certain Private Foundations	327
W. Certain Purchases of Employee-Owned Stock Disregarded for Purposes of Foundation Tax on Excess Business Holdings	329

X. Unrelated Business Taxable Income Increased by Amount of Certain Fringe Benefit Expenses for Which Deduction Is Disallowed	333
Y. Name and Logo Royalties Treated as Unrelated Business Taxable Income	338
Z. Exclusion of Research Income Limited to Publicly Available Research	341
AA. Limitation on Excess Business Losses of Noncorporate Taxpayers	344
BB. 1-Percent Floor on Deduction of Charitable Contributions Made by Corporations....	348
CC. Enforcement of Remedies Against Unfair Foreign Taxes	351
DD. Reduction of Excise Tax on Firearms Silencers	369
EE. Limitation on Drawback of Taxes Paid with Respect to Substituted Merchandise.....	371
PART 2—REMOVING TAXPAYER BENEFITS FOR ILLEGAL IMMIGRANTS	373
A. Permitting Premium Tax Credit only for Certain Individuals	373
B. Certain Aliens Treated as Ineligible for Premium Tax Credit.....	380
C. Disallowing Premium Tax Credit During Periods of Medicaid Ineligibility Due to Alien Status	381
D. Excise Tax on Remittance Transfers	382
E. Social Security Number Requirement for American Opportunity and Lifetime Learning Credits.....	385
PART 3—PREVENTING FRAUD, WASTE, AND ABUSE	388
A. Requiring Exchange Verification of Eligibility for Health Plan	388
B. Disallowing Premium Tax Credit in Case of Certain Coverage Enrolled in During Special Enrollment Period	396
C. Eliminating Limitation on Recapture of Advance Payment of Premium Tax Credit.....	398
D. Enforcement Provisions with Respect to COVID-related Employee Retention Credits..	399
E. Earned Income Tax Credit Reforms	404
F. Task Force on the Termination of Direct File	412
G. Postponement of Tax Deadlines for Hostages and Individuals Wrongfully Detained Abroad.....	413
H. Termination of Tax-Exempt Status of Terrorist Supporting Organizations	418
I. Increase in Penalties for Unauthorized Disclosures of Taxpayer Information	423
J. Restriction on Regulation of Contingency Fees with Respect to Tax Returns, Etc.	426



DISTRIBUTION OF THE ESTIMATED REVENUE EFFECTS OF TAX PROVISIONS
TO PROVIDE FOR RECONCILIATION OF THE FISCAL YEAR 2025 BUDGET
AS PASSED BY THE HOUSE OF REPRESENTATIVES ON MAY 22, 2025^[1]

Calendar Year 2027

Income Category ^[2]	Change In Federal Taxes ^[3]		Federal Taxes ^[3] Under Present Law		Federal Taxes ^[3] Under Proposal		Average Tax Rate ^[4]	
	Billions	Percent	Billions	Percent	Billions	Percent	Present Law	Proposal
							Percent	Percent
Less than \$15,000.....	\$ 0.6	12.0 %	\$ 5.2	0.1 %	\$ 5.9	0.1 %	4.0 %	4.5 %
\$15,000 to \$30,000.....	\$ -3.7	-22.9 %	\$ 16.3	0.3 %	\$ 12.6	0.3 %	2.9 %	2.2 %
\$30,000 to \$40,000.....	\$ -7.2	-17.9 %	\$ 40.3	0.8 %	\$ 33.1	0.7 %	6.6 %	5.4 %
\$40,000 to \$50,000.....	\$ -10.2	-16.4 %	\$ 62.0	1.2 %	\$ 51.8	1.1 %	9.0 %	7.5 %
\$50,000 to \$60,000.....	\$ -13.2	-14.8 %	\$ 89.5	1.8 %	\$ 76.3	1.7 %	11.3 %	9.6 %
\$60,000 to \$80,000.....	\$ -29.4	-13.1 %	\$ 225.4	4.4 %	\$ 195.9	4.3 %	13.1 %	11.4 %
\$80,000 to \$100,000.....	\$ -31.4	-12.5 %	\$ 250.5	4.9 %	\$ 219.2	4.8 %	15.4 %	13.5 %
\$100,000 to \$150,000.....	\$ -72.2	-11.8 %	\$ 610.3	12.0 %	\$ 538.1	11.8 %	17.3 %	15.3 %
\$150,000 to \$200,000.....	\$ -64.1	-11.8 %	\$ 542.4	10.6 %	\$ 478.3	10.5 %	19.8 %	17.4 %
\$200,000 to \$500,000.....	\$ -161.8	-10.5 %	\$ 1,545.8	30.3 %	\$ 1,384.0	30.5 %	24.1 %	21.6 %
\$500,000 to \$1,000,000.....	\$ -74.3	-12.5 %	\$ 593.4	11.6 %	\$ 519.1	11.4 %	29.8 %	26.0 %
\$1,000,000 and Above.....	\$ -93.6	-8.3 %	\$ 1,123.7	22.0 %	\$ 1,030.1	22.7 %	31.1 %	28.3 %
Total, All Taxpayers.....	\$ -560.5	-11.0 %	\$ 5,104.9	100.0 %	\$ 4,544.3	100.0 %	20.9 %	18.6 %

Joint Committee on Taxation

Note: Details may not add to totals due to rounding.

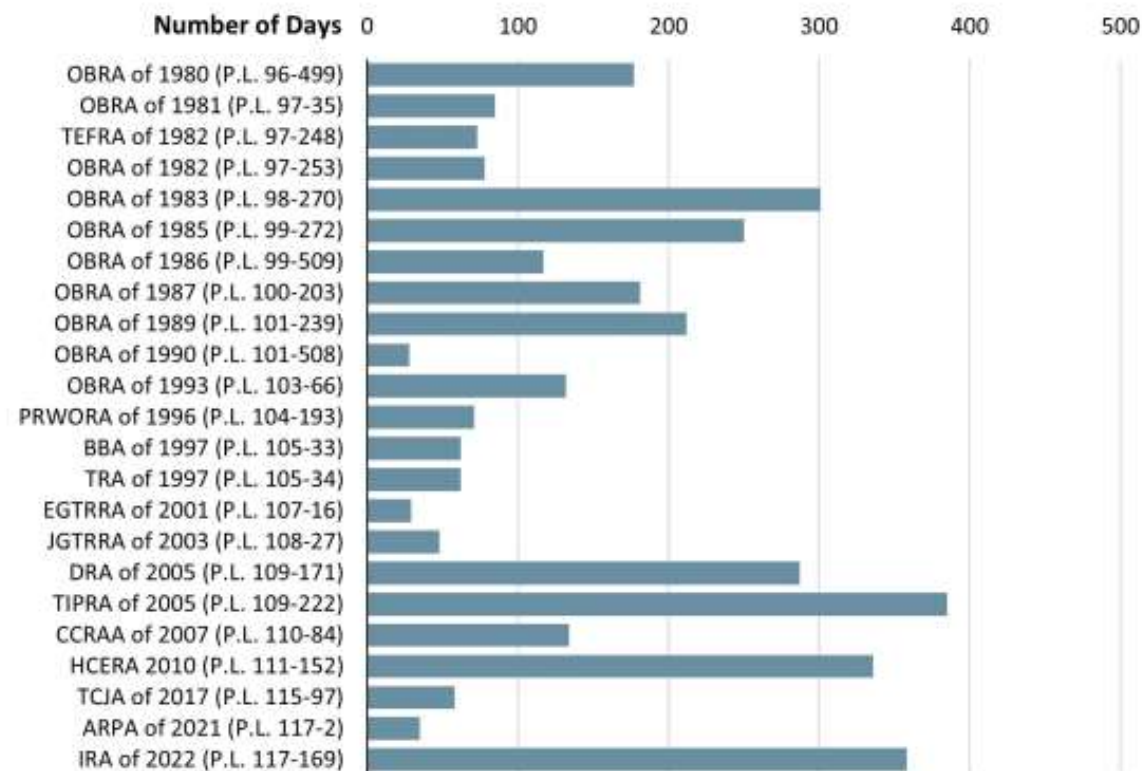
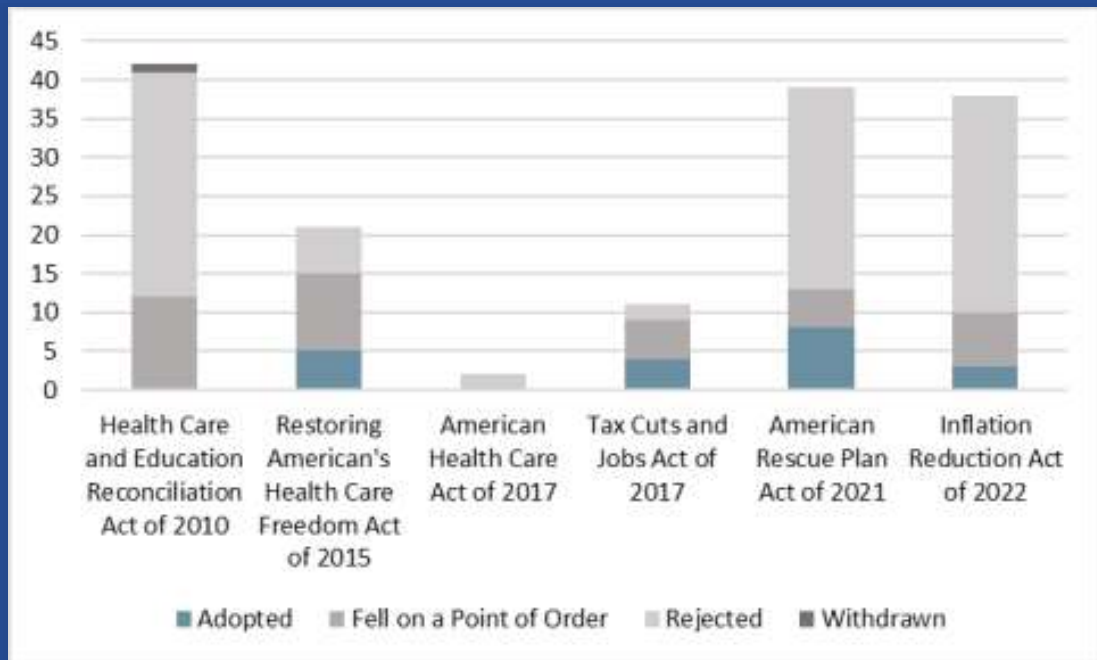
[1] This table provides a distributional analysis of the estimated revenue effects given in JCX-26-25R, excluding Subtitle A, Part 1, Provisions 6, and 13 through 18; Subtitle A, Part 2, Provisions 4, 5, 8 through 11, 13, and 14; Subtitle B, Part 2, Provisions 2, 6, 8, 10, and 12; Subtitle B, Part 3; Subtitle C, Part 1, Provisions 1, 2, 3, 5, 6, 16, 17, 20 through 25, 29, 30, and 31; Subtitle C, Part 2, Provisions 3, 4, and 5; and Subtitle C, Part 3, Provisions 4, 5, 7, 8, and 9. See pages 9 through 12 of this document. Individuals who are dependents of other taxpayers, and taxpayers with negative income are excluded from the analysis. Does not include indirect effects.

[2] The measure of income used to place tax returns into income categories is adjusted gross income ("AGI") plus (1) tax-exempt interest, (2) employer contributions for health plans and life insurance, (3) employer share of FICA tax, (4) workers' compensation, (5) nontaxable Social Security benefits, (6) insurance value of Medicare benefits, (7) alternative minimum tax preference items, (8) individual share of business taxes, and (9) excluded income of U.S. citizens living abroad. Categories are measured at 2025 levels.

[3] Federal taxes are equal to individual income tax (including the outlay portion of refundable credits), employment tax (attributed to employees), excise taxes (attributed to consumers), and corporate income taxes. The estimates of Federal taxes are preliminary and subject to change.

[4] The average tax rate is equal to Federal taxes described in footnote [3] divided by income described in footnote [2].





ARPA - American Rescue Plan Act
BBA - Balanced Budget Act
DRA - Deficit Reduction Act
CCRAA - College Cost Reduction and Access Act
EGTRRA - Economic Growth and Tax Relief Reconciliation Act
HCERA - Health Care and Education Reconciliation Act
IRA - Inflation Reduction Act

JGTRRA - Jobs and Growth Tax Relief Reconciliation Act
OBRA - Omnibus Budget Reconciliation Act
PRWORA - Personal Responsibility and Work Opportunity Reconciliation Act
TCJA - Tax Cuts and Jobs Act
TEFRA - Tax Equity and Fiscal Responsibility Act
TIPRA - Tax Increase Prevention and Reconciliation Act
TRA - Taxpayer Relief Act



House Committee Instructions

Senate Committee Instructions

Committee	Type of Instruction	Amount, FY2025-FY2034 (in Billions)^a	Committee	Type of Instruction	Amount, FY2025-FY2034 (in Billions)
Agriculture	Deficit	-\$1	Agriculture, Nutrition, and Forestry	Deficit	-\$1
Armed Services	Deficit	+\$150	Armed Services	Deficit	+\$150
Education and Workforce	Deficit	-\$1	Commerce, Science, and Transportation	Deficit	+\$20
Energy and Commerce	Deficit	-\$1	Energy and Natural Resources	Deficit	-\$1
Natural Resources	Deficit	-\$1	Environment and Public Works	Deficit	+\$1
Homeland Security	Deficit	+\$175 ^b	Finance	Deficit	-\$1
Judiciary	Deficit	+\$175 ^b	Health, Education, Labor, and Pensions	Deficit	-\$1
Transportation and Infrastructure	Deficit	+\$20	Homeland Security and Governmental Affairs	Deficit	+\$175 ^b
			Judiciary	Deficit	+\$175 ^b
Minimum Deficit Reduction	\$4 Billion		Minimum Deficit Reduction	\$4 Billion	
Maximum Deficit Increase	\$520 Billion		Maximum Deficit Increase	\$521 Billion	

Source CRS



Improving the HTC



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HTC-GO Factsheet



Cosponsor HTC-GO and Include Provisions in the Emerging Tax Bill

A new version of the Historic Tax Credit Growth and Opportunity Act [HTC-GO (H.R. 2941/S. 1459)] was reintroduced by Rep. Darin LaHood (R-IL)/Rep. Tom Suozzi (D-NY) in the House and Sen. Cassidy (R-LA)/Sen. Warner (D-VA) in the Senate. The bill brings more value to the HTC, makes the credit easier to use and encourages smaller projects and projects in rural areas. New provisions include returning to a one-year delivery of HTC and further incentives for rural projects, including the ability to transfer credits for smaller and rural projects.

HTC-GO Provisions

- Returns to a 1-year delivery of Historic Tax Credits for all projects
 - Since 2017, the 20% tax credit has been delivered over 5-years (4% per year); this provision will return delivery of the HTC to 1-year.
- Lowers the Substantial Rehab Test from 100% to 50% of a building's basis
 - Lowers the substantial rehabilitation threshold, making more projects eligible to use the HTC.
- Eliminates the HTC Basis Adjustment Requirement
 - Eliminates the requirement that the amount of the HTC must be deducted from a building's basis (the property's cost for tax purposes), increasing the value of the HTC and making it much easier to pair with the federal Low-Income Housing Tax Credit.
- Modifies Tax Exempt Use Rules
 - Makes the HTC easier to use by nonprofits such as community health centers, local arts centers, affordable housing, homeless services, museums, theaters, and others by eliminating Tax Code restrictions that make it challenging for nonprofits to partner with developers.
- Increases the credit for smaller projects:
 - Projects below \$3.75 million will receive a 30% credit.
 - Rural projects below \$5 million will receive a 30% credit. (Rural Definition: Cities/towns with populations less than 50,000 and not contiguous and adjacent to cities/towns of 50,000 in population).
 - All small projects are eligible for direct transfer, without need of a partnership-style investment.

Questions?



Thank you!

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