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Legislative update: Senate Finance employment and community development taskforce report findings

The U.S. Senate Finance Committee has released another report from the bipartisan taskforces that have been examining temporary tax provisions that expired, or will expire, between December 31, 2017, and December 31, 2019. The most recent report addresses provisions designed to increase participation in the workforce and to expand economic opportunity in low-income communities.

Read the [taskforce report](#) [PDF 17.4 MB] (216 pages) on employment and community development

Read about other taskforce reports issued to date: [TaxNewsFlash](#).

Employment and community development report

The taskforce report addresses: (1) the Indian employment tax credit, (2) the new markets tax credit, (3) the mine rescue team training credit, (4) the work opportunity tax credit, 5) empowerment zone incentives, and (6) the American Samoa economic development credit. The report describes the provisions, summarizes input received from stakeholders, and includes an appendix of comments received.

The report also includes a few paragraphs of “consensus recommendations” including that:

- As a general matter, to the extent practicable, the taskforce members “feel that tax policy should be enacted with long-term time horizons, if not on a permanent basis.”
- To the extent Congress chooses to retroactively extend or to reinstate the Indian employment tax credit on a prospective basis, the “credit should eliminate the current law base year for measuring the credit amount and instead measure the credit using a moving average of qualified wages and health insurance costs from a set number of preceding years.”
- To the extent that Congress chooses to retroactively extend or to reinstate the American Samoa economic development credit on a prospective basis, the current language for the credit should be

moved into the Internal Revenue Code (rather than existing through amendments to Code provisions that have since been repealed).

Background

Senate Finance Committee Chairman Grassley and ranking member Wyden in May 2019 announced the formation of several bipartisan taskforces to examine temporary tax provisions that expired, or will expire, between December 31, 2017, and December 31, 2019—a total of 42 provisions.

The taskforces were charged to examine tax policies in five areas:

- Energy (*report issued August 13, 2019*)
- Business cost recovery (*report issued August 13, 2019*)
- Individual, excise and other temporary policies (*report issued August 13, 2019*)
- Workforce and community development (*report issued August 27, 2019*)
- Health

A separate taskforce was assigned to examine whether there is a core package of tax relief provisions that should be available when there are natural disasters.

In February 2019, Senators Grassley and Wyden introduced bipartisan legislation to restore the tax provisions that expired at the end of 2017 and 2018 through the balance of this year and to provide disaster tax relief benefits to individuals and businesses affected by major disasters occurring in 2018. Read [TaxNewsFlash](#)

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