



TaxNewsFlash

United States



No. 2019-454
September 17, 2019

Legislative update: Senate Finance taskforce's report on expiring health-related tax provisions

The U.S. Senate Finance Committee released a report from one of several bipartisan tax taskforces formed to examine 42 temporary tax provisions that expired, or will expire, between December 31, 2017, and December 31, 2019.

Read the [health tax taskforce report](#) [PDF 27.5 MB] (277 pages)

The health tax taskforce was charged with examining the following six temporary tax policies in the health area (expiring between December 31, 2017, and December 31, 2019):

- Health coverage tax credit
- Paid family and medical leave tax credit
- Medical expense deduction (the 7.5% AGI floor)
- Black lung disability trust fund excise tax rate
- Medical device excise tax
- Health insurance tax

The health tax taskforce received feedback from stakeholders, interested Senate offices, and others in examining the original basis of each provision; determining whether there continues to be a need for the provision as currently drafted; and identifying long-term resolutions when possible. With respect to the temporary health tax policies, the taskforce focused on whether the policy should be extended and for what duration—and not the underlying health care policy of the provision. The taskforce did not come to a consensus on the provisions within its scope.

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 (*report issued September 16, 2019*)

Read [TaxNewsFlash](#) and [TaxNewsFlash](#) describing the reports previously released by the other taskforces.

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 (S. 617) to restore 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. The bill also addresses the medical expense deduction floor and the black lung liability trust fund excise tax—but did not address the other provisions covered by the health tax taskforce. Read [TaxNewsFlash](#)

The information contained in TaxNewsFlash is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, and is not intended to be applied to any specific reader's particular set of facts. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever.

Direct comments, including requests for subscriptions, to [Washington National Tax](#). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at + 1 202.533.4366, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash-United States, reply to [Washington National Tax](#).

[Privacy](#) | [Legal](#)