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Legislative update: Government funding bills include some tax provisions

Senator Richard Shelby (R-AL), Chairman of the U.S. Senate Committee on Appropriations, late today released two appropriations bills that would fund the government for the fiscal year that began October 1, 2019, and that will end September 30, 2020.

Chairman Shelby indicated that the funding measures were filed in the U.S. House of Representatives today and that the House and Senate would vote on the packages prior to December 20, 2019 (when government funding otherwise is scheduled to expire).

One of the bills (H.R. 1865) includes the following tax provisions:

- Repeal of the medical device excise tax, of the annual fee on health insurance providers, and of the excise tax on high cost employer-sponsored health coverage (sometimes referred to as the “Cadillac tax”)
- 10-year extension of the Patient-Centered Outcomes Research Institute (PCORI) fee under Code sections 4375 and 4376
- Provisions relating to retirement savings and pensions (the “SECURE” Act)
- Modification of taxation of unearned income of certain children (repeal of Code section 1(j)(4))
- Reduction in the minimum age for allowable in-service distributions
- Modification of required distribution rules for designated beneficiaries
- Increases in Code section 6651 penalty for failure to file and Code section 6652 penalty for failure to file retirement plan returns
- Increased information sharing relating to excise taxes

Read the current text of [H.R. 1865](#) [PDF 2.6 MB]

What’s next?

Changes could be made to the bills as they move through the legislative process. **For example, it is possible that additional tax provisions might be added, or that modifications might be made to the tax provisions currently in the bills, before the House and Senate vote on the bills.**

Further, in order for the bills to become law, the House and Senate must pass identical versions of the legislation and the president must sign the legislation into law. Thus, there is no guaranty that legislation substantially similar to the bills released today would be enacted or that the government would be completely funded prior to December 20, 2019.

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