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## INCOME TAX

# Senate Committee Approves Tax Extenders Through 2016

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In a decisive 23-3 vote on July 21, the Senate Finance Committee approved a two-year extension of numerous tax provisions. The group of over 50 credits and deductions, collectively known as tax extenders, expired on December 31, 2014 and would be extended through the end of 2016 if the bill is ultimately approved by Congress and signed by the President. The provisions represent substantial savings to individuals and businesses.

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- The R&E Credit would be modified to grant certain small businesses the option of claiming the credit against their Alternative Minimum Tax (AMT) or payroll tax liabilities, as opposed to merely their income tax liabilities as has been allowed in the past.
- An additional target group would be added under WOTC, enabling employers to receive a credit of up to \$2,400 per employee for hiring individuals who have exhausted state and federal unemployment benefits.

- In the past, tax-exempt governmental entities have been permitted to allocate their §179D deductions to the architects or engineers who designed their qualifying energy efficiency projects. Under this week's bill, tribal governments and non-profit organizations would similarly be allowed to allocate their §179D deductions. The bill would also increase standards for energy efficiency to align with ASHRAE Standard 90.1-2007.

Although Congress may not approve the tax extenders bill until the end of this year, the early action by the Senate Finance Committee and the robust bipartisan support that the provisions typically enjoy indicate a strong likelihood that the bill will become law. Provisions like the R&E Credit, WOTC, and the §179D deduction are a boon for business, and any extension of them will encourage growth by providing businesses with some modicum of tax-planning consistency from year-to-year.

There are not many incentives available to businesses, so it is important to take advantage of lucrative provisions like §179D, WOTC, and the R&E Credit. In light of this week's exciting news from the Senate Finance Committee, now is the time to start planning for the 2015 and 2016 tax years. [CRG offers opportunities](#) to learn more about how you can maximize your savings under the tax extenders and other provisions.

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