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from an extension and expansion of the Research and Experimentation (R&E) Credit, the Work Opportunity Tax Credit (WOTC), and the §179D deduction.

Jul. 27, 2015

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.

Among the many provisions addressed in the bill, business taxpayers would benefit from an extension and expansion of the Research and Experimentation (R&E) Credit, the Work Opportunity Tax Credit (WOTC), and the §179D deduction.

- 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,

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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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