

Five-year FAA reauthorization clears House

The House of Representatives voted 351-69 on July 20 to approve legislation (H.R. 3935) that would extend expenditure authority for the Federal Aviation Administration (FAA), along with the excise taxes on fuel and passenger tickets that supply the agency's dedicated revenue stream, through September 30, 2028.

The FAA's current expenditure authorization and the related excise taxes are set to expire on September 30 of this year.

The Senate's version of the legislation remains stuck in that chamber's Commerce, Science, and Transportation Committee (the committee of jurisdiction) while lawmakers attempt to reach consensus on an assortment of nontax issues. It is currently unclear if the committee will mark up a proposal before Congress adjourns for its scheduled month-long August recess. (The Senate is set to be in session through July 28, with members returning to Capitol Hill on September 5.)

Additional tax provisions flying on stand-by?

The House bill as approved does not include tax provisions other than extensions of the excise taxes that provide revenue for the FAA. But because the FAA reauthorization measure is one of the few so-called "must-pass" bills that is expected to move through Congress this year, it could eventually become a magnet for other tax proposals—notably, provisions to repeal or relax more stringent rules related to the tax treatment of research expenditures, bonus depreciation, and deductions for net business interest expense that were enacted under the Tax Cuts and Jobs Act of 2017 (TCJA, P.L. 115-97) and have recently taken effect—that some lawmakers have said they would like to see enacted this year.

URL: <https://www.congress.gov/115/plaws/publ97/PLAW-115publ97.pdf>

Also on this wish list among certain constituencies in Congress are enhancements to the child tax credit. This issue largely has been associated with congressional Democrats who want to restore now-expired provisions from the American Rescue Plan Act of 2021 (P.L. 117-2) that increased the credit amount, made the credit fully refundable, and allowed taxpayers to receive benefits in advanceable monthly installments; however, many Republicans are anxious to preserve certain child tax credit provisions that were enacted in the TCJA and are scheduled to expire and decrease significantly after 2025. (Under the TCJA, the maximum per-child credit amount is scheduled to fall from its current level of \$2,000 to \$1,000 beginning in 2026, and the income thresholds above which the credit phases out will also decrease considerably.)

URL: <https://www.congress.gov/117/plaws/publ2/PLAW-117publ2.pdf>

A report in *Roll Call* this week indicates that the bipartisan House Problem Solvers Caucus plans to create a subcommittee to study the child tax credit and that one of its co-chairs—Republican taxwriter Brian Fitzpatrick of Pennsylvania—hopes to work with Democratic Rep. Jared Golden of Maine to develop a bipartisan proposal to expand the current-law benefit.

In addition to the FAA legislation, other must-pass bills that could provide a vehicle for a tax title this year include a reauthorization of US agricultural and nutrition programs—known informally as the “farm bill”—and appropriations legislation to fund the federal government for fiscal year 2024, which are also due by September 30.

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