

**TECHNICAL EXPLANATION OF THE TAX REFORM ACT OF 2014,  
A DISCUSSION DRAFT OF THE CHAIRMAN OF  
THE HOUSE COMMITTEE ON WAYS AND MEANS  
TO REFORM THE INTERNAL REVENUE CODE:  
TITLE VIII – DEADWOOD AND TECHNICAL PROVISIONS**

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## INTRODUCTION

This document<sup>1</sup> provides a technical explanation of Title VIII of the Tax Reform Act of 2014, a discussion draft<sup>2</sup> prepared by the Chairman of the House Committee on Ways and Means that proposes to reform the Internal Revenue Code. Title VIII of the proposal addresses deadwood and technical provisions.

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<sup>1</sup> This document may be cited as follows: Joint Committee on Taxation, *Technical Explanation of The Tax Reform Act of 2014, A Discussion Draft of The Chairman of The House Committee on Ways and Means To Reform The Internal Revenue Code: Title VIII — Deadwood And Technical Provisions*, (JCX-19-14), February 26, 2014. This document can also be found on our website at [www.jct.gov](http://www.jct.gov).

<sup>2</sup> Statutory Draft Version Camp\_041.XML.

## **TITLE VIII – DEADWOOD AND TECHNICAL PROVISIONS**

### **A. Repeal of Deadwood Provisions (sec. 8001 of the discussion draft)**

#### **Present Law**

A number of provisions in the Code have long since expired or are otherwise inapplicable to current taxpayers. Other provisions remain valid but contain transition rules or other time-limited elements (decades old in many cases) that have no current effect. These provisions, transition rules, or time-limited elements are considered “deadwood” in that they have no application in current or future taxable years (other than possibly as generators of net operating loss carryforwards, credit carryforwards, etc.).

#### **Description of Proposal**

The proposal repeals as deadwood all or portions of a number of provisions. Below is a list of those deadwood provisions repealed in their entirety.<sup>3</sup>

- Puerto Rico economic activity credit (sec. 30A)
- Making work pay credit (sec. 36A)
- Environmental tax (sec. 59A)
- Qualified group legal services plans (sec. 120)
- Deduction for clean-fuel vehicles and certain refueling property (sec. 179A)
- Deduction for capital costs incurred in complying with environmental protection agency sulfur regulations (sec. 179B)
- Dividends received on certain preferred stock; and dividends paid on certain preferred stock of public utilities (secs. 244 and 247)
- Expatriation to avoid tax (sec. 877)
- Puerto Rico and possession tax credit (sec. 936)
- Property acquired during affiliation (sec. 1051)
- Credit for State death taxes (secs. 2011 and 2604)
- Family-owned business interest (sec. 2057)
- Luxury passenger automobiles excise tax (secs. 4001, 4002, and 4003)
- 2008 recovery rebates (sec. 6428)
- Advance payment of portion of increased child credit for 2003 (sec. 6429)

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<sup>3</sup> Repeal of various transition rules and other deadwood cleanup are not listed.

- COBRA premium assistance (sec. 6432)

The proposal includes a “savings clause” to mitigate the effects of repealing the deadwood items in the event those items have any remaining applicability.

**Effective Date**

The proposal is effective on the date of enactment.