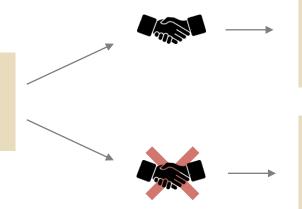
## Lawmakers Aim to Negotiate Major "Tax Extender" Deal

**Current State of "Tax Extender" Negotiations** 

Lawmakers from both parties hope to address popular expiring tax provisions, known as "tax extenders"



## Permanent "Tax Extender" Deal

- Permanently extends a mix of tax provisions favored by Democrats (e.g. EITC) and Republicans (e.g. R&D credit)
- Provides temporary extensions for most other provisions
- Estimated to cost approximately \$800 billion over a ten year window

## **Temporary "Tax Extender" Extension**

- Introduced by House Ways and Means Chairman Kevin Brady (R-TX), in case negotiations fail
- Extends nearly all provisions through **2016**, providing lawmakers with another year to negotiate
- Similar legislation passed the Senate earlier this year

## **Issues That Could Derail Negotiations**

- Overall cost of package
- Which provisions get permanently extended, and for how long
- Whether certain provisions are indexed to inflation, to avoid erosion over time

Source: National Journal Research, 2015; Naomi Jagoda, "Brady Prepares Backup Plan to Extend Tax Breaks," The Hill, December 7, 2014