



7 July 2025

Summary of Select Tax Reconciliation Bill Provisions

Below is a preliminary summary of select tax provisions of H.R. 1, the tax reconciliation bill, passed by the Senate on July 1 and the House on July 3 (and signed into law on July 4), as compared with the Finance Committee’s June 16 proposed text and the House-passed bill from May 22.

Select revenue estimates are provided (from Joint Committee on Taxation estimates JCX-26-25R, JCX-29-25, JCX-34-25, JCX-35-25). Senate estimates are relative to a current policy baseline, while estimates of the initial House-passed bill are relative to the current law baseline. Where only one figure is listed, current policy and current law are the same.

TCJA extensions and modifications

Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Individual rates	10%, 12%, 22%, 24%, 32%, 35%, 37% made permanent (with inflation relief for rates below the 37% rate) -\$2.18t	Same provision, except for inflation adjustment for 10%, 12%, 22% brackets -\$82.8b	Similar provision but the 10% and 12% bracket thresholds are increased by an extra year of inflation adjustment Current policy: -\$73.3b Current law: -\$2.193t
Standard deduction	\$15,000/single, \$30,000/married inflation (adjusted for 2025) extended past 2025 and increased for years 2025-2028 -\$1.308t	\$15,000/single, \$30,000/married permanent; after 2025, \$16,000/\$32,000 -\$165.2b	New deduction amounts effective beginning in 2025 (not 2026), set at \$15,750 Current policy: -\$205b Current law: -\$1.425t
Personal exemptions	Reduced to \$0, effectively suspending the provision +\$1.87t	Terminated except for temporary senior deduction: \$6,000 deduction begins to phase out when taxpayer’s modified AGI exceeds \$75,000	Senate provision Current policy: -\$92.7b Current law: +\$1.807t



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		(\$150,000 joint), allowed 2025-2028, and SSN requirement applies -\$91.2b	
Child tax credit	- Extension of \$2,000 credit and inflation indexing beginning in 2029 - Increased to \$2,500 for 2025-28 - Subject to Social Security number requirement -\$797.3b	Makes permanent increased credit and sets at \$2,200 per child beginning in tax year 2025 -\$124b	Senate provision Current policy: -\$124b Current law: -\$816.8b
199A pass-through deduction	20% deduction on certain pass-through income made permanent, increased to 23%, and made applicable to certain interest dividends of qualified business development companies. The phase-in of the limitations for higher income taxpayers would also change, allowing a greater number of those with income from SSTBs to benefit from the deduction. -\$820b See EY Alert, "Tax reconciliation bill passed by House could significantly affect individual taxpayers," https://taxnews.ey.com/news/2025-1161 and "Tax reconciliation bill passed by the House would expand and make permanent the qualified business	Makes permanent current 20% and expands deduction limit phase-in range (business development company provision omitted) -\$6b See EY Alert, "Senate Finance Committee's bill could significantly affect high-income taxpayers," https://taxnews.ey.com/news/2025-1350 and "Tax reconciliation bill released by the Senate Finance Committee would significantly affect cost recovery and accounting method provisions," https://taxnews.ey.com/news/2025-1336	Senate provision Current policy: -\$6b Current law: -\$736.5b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	income deduction (IRC Section 199A), " https://taxnews.ey.com/news/2025-1205		
Estate tax	Exemption increased to \$15m and indexed for inflation (permanent) -\$212b	Same provision -\$10.4b	Same provision Current policy: -\$10.4b Current law: -\$211.7b
AMT	Exemption amounts and phase-out thresholds extended past 2025 (changed by manager's amendment to push out inflation adjustment) -\$1.304t	Similar provision with some language differences on inflation adjustment +\$6b	Keeps the current AMT exemption amounts (\$88,100 for single filers, \$137,000 for joint filers) and continues to adjust them for inflation. The bill brings exemption phase-out thresholds back to 2018 levels - \$500,000 (\$1 million if filing jointly), adjusted for inflation - and accelerates the phase-out rate from 25% to 50% Current policy: +\$12.2b Current law: -\$1.363t
Residence interest	- \$750,000 limitation on home mortgage acquisition indebtedness is made permanent, and the exclusion of interest on home equity indebtedness from the definition of qualified residence interest is made permanent	Similar provision but treats certain mortgage insurance premiums on acquisition indebtedness as qualified residence interest -\$1.8b	Senate provision Current policy: -\$1.8b Current law: +\$39.5b
Itemized deductions	- Itemized deductions permanently eliminated - Permanently allows for the itemized deduction for only personal casualty losses resulting from federally declared disasters	Similar provision but removes unreimbursed employee expenses for eligible educators from the list of miscellaneous itemized deductions -\$200m	Senate provision Current policy: -\$200m Current law: +\$231.56b
Casualty loss deduction	losses resulting from federally declared disasters	Similar provision but also addresses state declared disasters	Senate provision Current policy: -\$754m



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	Combined revenue: +\$6.17b	-\$754m	Current law: +\$1.33b
Limitation on tax benefit of itemized deductions	In place of the Pease limitation, itemized deductions would be capped for those in the top 37% tax bracket +\$41.2b See EY Alert https://taxnews.ey.com/news/2025-1161	Includes a provision that mirrors the original Ways and Means language that was changed by manager's amendment, plus language on agricultural and horticultural cooperatives +\$34.38b	Senate provision Current policy: +\$34.38b Current law: -\$255.5b
SALT	\$10,000 state and local tax (SALT) deduction cap increased to \$40,000 per household for incomes under \$500,000, with the cap and income threshold set to grow 1% each year Pass-through entity tax (PTET) deduction repealed for specified service trades or businesses (SSTBs) +\$786.8b See EY Alert https://taxnews.ey.com/news/2025-1161	\$10,000 cap under current policy extended (but subject to further negotiation); clarifies and modifies the list of taxes subject to the SALT cap ("specified taxes"); does not repeal PTETs for SSTBs but generally limits PTETs to the greater of \$40,000 or half of the otherwise allowed PTET deduction; establishes an individual-level limitation for a partnership or S corporation owner's separately stated share of PTETs +\$37.2b See EY Alert https://taxnews.ey.com/news/2025-1350	Like House provision, \$10,000 state and local tax (SALT) deduction cap increased to \$40,000 per household for incomes under \$500,000 but reverts to \$10,000 after 2029. Language limiting PTET election omitted, meaning the current PTET rules would remain unchanged. Current policy: -\$142.4b Current law: +\$946.2b
Limitation on excess business losses	Makes the excess business loss limitation permanent +\$26.5b	Same provision +\$8.37b	Similar provision, but losses treated as NOLs in the year after limitation Current policy: +\$641m Current law: +\$18.4b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Bicycle commuting	Termination of the exclusion for qualified bicycle commuting reimbursement after 2025 +\$173m See EY Alert, "House-passed tax bill contains provisions affecting compensation and benefits, including eliminating taxes on tips and overtime," https://taxnews.ey.com/news/2025-1120	Same provision but, for qualified transportation fringe benefits other than the qualified bicycle commuting reimbursement, the provision adds an additional year of inflation adjustment -\$2.1b	Senate provision Current policy: -\$2.1b Current law: -\$2b
Moving expense deduction	- Permanent repeal of the exclusion for employer-provided qualified moving expense reimbursements, except for a member of the armed forces - Permanent repeal of deduction for moving expenses, except for a member of the armed forces +\$14.5b	Same provision -\$852m	Same provision Current policy: -\$852m Current law: +\$13.6b
Wagering losses deduction	Permanently requires that all deductions for expenses incurred in relation to wagering also be limited to the extent of wagering winnings +\$47m	Similar provision, but limited to 90% of the amount of such losses, only to the extent of the gains from such transactions +\$1.1b	Senate provision +\$1.1b
ABLE accounts	- Makes permanent certain provisions related to Achieving a Better Life Experience (ABLE) accounts - Eligibility for the Saver's Credit	Same provision <i>loss of less than \$500,000</i>	Same provision Current policy: <i>loss of less than \$500,000</i> Current law: -\$25m



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	- Extension of rollovers from qualified tuition programs to ABLE accounts permitted -\$26m		
Student loans	Restores exclusion from gross income for otherwise includible amount from discharge of qualifying loan on account of a student's death or total and permanent disability -\$385m	Same provision +\$1m	Same provision Current policy: +\$1m Current law: -\$386m

Business

Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Bonus depreciation	Allows 100% bonus depreciation for property acquired and placed in service after January 19, 2025, and before January 1, 2030 (5 years less several days). For longer production period property and certain aircraft, the end date is January 1, 2031. 100% bonus depreciation is also allowed for specified agricultural plants planted or grafted after January 19, 2025, and before January 1, 2030. The rules under the percentage-of-completion method are made	Allows 100% bonus depreciation on a permanent basis for property acquired and placed in service on or after January 19, 2025, as well as for specified plants planted or grafted on or after January 19, 2025. -\$219.5b See EY Alert https://taxnews.ey.com/news/2025-1336	Senate provision Current policy: -\$219.5b Current law: -\$362.65b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>permanent for the allocation of bonus depreciation under a long-term contract.</p> <p>-\$36.6b</p>		
163(j) interest deduction	<p>Reinstates the EBITDA (earnings before interest, taxes, depreciation, and amortization) limitation for the calculation of the deduction after December 31, 2024, and before January 1, 2030.</p> <p>-\$39.56b</p>	<p>Permanently reinstates the EBITDA limitation for the calculation of the deduction after December 31, 2024.</p> <p>Also permanently modifies the definition of "motor vehicle" to include certain trailers and campers designed to be towed by or affixed to a motor vehicle. This change allows interest on floor plan financing for such trailers and campers to be deducted.</p> <p>Contains a new ordering rule whereby the Section 163(j) limitation is calculated prior to any interest capitalization rule. Also, interest capitalized under Section 263(g) or 263A(f) is not business interest under Section 163(j). However, the business interest allowed under Section 163(j) is applied first to the capitalized interest and then to deducted interest. Finally, excludes subpart F and GILTI, along with any associated gross-up under</p>	<p>Senate provision</p> <p>-\$60.5b</p>



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		<p>Section 78, from adjusted taxable income for purposes of Section 163(j). -\$60.5b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1336</p>	
174 R&D	<p>Allows expensing for 5 years rather than a 5-year amortization period for domestic R&D amounts paid or incurred in tax years beginning after December 31, 2024, and before January 1, 2030. Taxpayers can choose to (1) deduct domestic R&D expenses, (2) elect to capitalize and recover domestic R&D expenses ratably over the useful life of the research (no less than 60 months) beginning with the midpoint of the taxable year in which the expenses were paid or incurred, or (3) elect to capitalize and recover domestic R&D expenses over 10 years.</p> <p>Taxpayers are required to reduce domestic R&D expenses by their Section 41 research credits for taxable years beginning after</p>	<p>Allows permanent expensing rather than a 5-year amortization period for domestic R&D amounts paid or incurred in tax years beginning after December 31, 2024.</p> <p>Small business taxpayers (annual gross receipts of \$31 million or less) are generally permitted to apply this change retroactively to tax years beginning after December 31, 2021.</p> <p>All taxpayers that incurred domestic R&D expenses after December 31, 2021, and before January 1, 2025, are permitted to elect to accelerate the remaining deductions for such expenditures over a one- or two-year period.</p> <p>Foreign R&D is unchanged and must continue to be capitalized over a 15-</p>	Senate provision -\$141.5b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>December 31, 2024, and before January 1, 2030.</p> <p>Foreign R&D is unchanged and must continue to be capitalized over a 15-year period. -\$22.8b</p>	<p>year period. The provision also includes rules to coordinate the immediate deductibility of domestic R&D expenses with the research credit. -\$141.5b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1336</p>	
Accelerated depreciation for factories	<p>Allows expensing of new factories, certain improvements to existing factories, and certain other structures. Construction must begin after January 19, 2025, and before January 1, 2029, and be placed in service before January 1, 2033. Includes recapture if property use changes within 10 years. -\$147.9b</p>	<p>Same provision but for property placed in service before January 1, 2031 -\$141.4b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1336</p>	Senate provision -\$141.4b
Executive compensation	<p>The provision adds an aggregation rule to Section 162(m). Where a specified covered employee is paid by different members of a controlled group, the amounts are combined for purposes of the \$1m limit. +\$15.7b</p>	<p>Same provision +\$15.7b</p>	Same provision +\$15.7b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	See EY Alert https://taxnews.ey.com/news/2025-1120		
Third Party Litigation Funding Reform	No provision	Imposes a tax equal to the highest individual tax rate plus 3.8% on qualified litigation proceeds received through investments to fund litigation +\$2.5t	31.8% limitation <i>Failed Byrd bath and omitted</i> +\$1.45b
Deduction disallowance for employer-provided meals	Adds an exception to this disallowance by cross-reference to IRC Section 274(e)(8), which excepts expenses for goods or services sold by the taxpayer in a bona fide transaction for adequate and full consideration, helping taxpayers such as restaurants that are in the business of selling food to customers and also provide food to employees. -\$909m See EY Alert https://taxnews.ey.com/news/2025-1120	Similar provision, but includes language on commercial vessels and fishing boats +\$32.5b	Senate provision Current policy: +\$32.5b Current law: -\$948m
Charitable contributions made by corporations	Establishes a floor equal to one percent of taxable income for the deductibility of corporate charitable contributions +\$16.6b	Same provision +\$16.6b	Senate provision +\$16.6b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Sports teams	Excludes 50% of the adjusted basis of an amortizable Section 197 asset from amortization for professional sports franchises. Section 197 generally provides goodwill and many other types of intangible property with 15-year amortization +\$991m See EY Alert https://taxnews.ey.com/news/2025-1161	No provision	No provision
Opportunity Zones	Ends the initial qualified Opportunity Zone designation after December 31, 2026, and establishes a new round of designations through December 31, 2033. -\$5.5b See EY Alert, "Tax reconciliation bill passed by House Ways & Means Committee would affect tax incentives and rules for Opportunity Zones," https://taxnews.ey.com/news/2025-1068	Permanent OZ policy that creates rolling, 10-year OZ designations beginning on January 1, 2027; maintains the OZ designation process; strengthens eligibility requirements +\$65.6B See EY Alert, "Senate Finance Committee's proposals on Opportunity Zones differ from House proposals," https://taxnews.ey.com/news/2025-131	Senate provision but changes capital gains deferral and basis increase Current policy: +\$32.19b Current law: -\$41b
Sound recording	Expands the special expensing rules for qualified film, television and live theatrical productions under Section	Same provision -\$153m	Same provision -\$153m



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	181 to include aggregate qualified sound recording production costs of up to \$150,000 per taxable year -\$153m		
Low-income housing tax credit (LIHTC)	Provides an increase in the state housing credit ceiling for calendar years 2026, 2027, 2028 and 2029, and modifies the tax-exempt bond financing requirement -\$14.1b	Similar provision, but permanent and increases the state allocation ceiling by 12% rather than 12.5% -\$15.69b	Senate provision -\$15.69b
Restoration of taxable REIT subsidiary asset test	The limitation on taxable REIT subsidiaries is increased from 20% to 25% -\$3.3b	No provision	House provision -\$3.3b
Treatment of payments from partnerships to partners for property or services	The rules for determining whether a transaction should be treated as made in the capacity as a partner self-executing rather than subject to the issuance of regulations +\$12.4b	Same provision +\$12.4b	Same provision +\$12.4b
NMTC	No provision	Permanent extension of the New Markets Tax Credit -\$5.185b	Senate provision -\$5.185b
Advanced manufacturing investment credit (48D)	No provision	Increase the credit rate to 30% effective for property placed in service after December 31, 2025 -\$8.5	Credit increased to 35% -\$15b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		See EY Alert https://taxnews.ey.com/news/2025-1336	
Space ports	No provision	No provision	Spaceports treated like airports under exempt facility bond rules -\$1b
Treatment of capital gains from the sale of certain farmland property	No provision	No provision	Net tax liability paid in installments -\$7.3b
Cover over of tax on distilled spirits	No provision	No provision	Permanent increase in limitation on cover over of tax on distilled spirits -\$1.9b

International

Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Global intangible low-taxed income (GILTI)	Modifies and makes permanent the rates on GILTI through a 49.2% deduction (10.668% rate), including the Section 78 gross-up amount. The bill would also exclude from "tested income" any "qualified Virgin Island services income" (a narrow provision).	- Similar to the House bill except that the Section 250 deduction for GILTI purposes is reduced to 40%, and the GILTI FTC haircut is reduced to 10%, resulting in a 14% GILTI tax rate. In addition, the allocation and apportionment of expenses to GILTI is limited to the Section 250(b)(2) deduction and expenses directly allocable to GILTI income; any other	- 14% GILTI rate - Expense allocation rule revised to say that there is no interest or R&E allocated to GILTI basket, and that other expenses (other than SALT and 250 deduction) are allocated to GILTI only if "directly allocable" (which is not defined) - Modifies the exclusion of certain income from FDII: excludes income
Foreign-derived intangible income (FDII)			



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>Modifies and makes permanent the rate on FDII through a 36.5% deduction (13.335% rate) and makes permanent -\$134.36b (GILTI & FDII combined)</p> <p>See EY Alert, "US House approves tax reconciliation bill, with minor rate changes in international tax provisions," https://taxnews.ey.com/news/2025-1143</p>	<p>expenses would be allocated to US source income. Net deemed tangible income return currently utilized in determining a U.S. shareholder's GILTI inclusion is eliminated. (Also proposes name change to Net CFC Tested Income)</p> <p>- The FDII deduction is reduced to 33.34%, or a 14% rate, and made permanent; expense apportionment is limited to directly related expense; the deduction for eligible income (DEI) would not include gains from the sale or disposition of property that gives rise to rents or royalties; and the deduction for QBAI is repealed. (Also proposes name change to Foreign-Derived Deduction Eligible Income)</p> <p>-\$13b (GILTI & FDII combined)</p>	<p>from the sale or disposition of (1) Section 367(d) intangibles; and (2) property of a type that is subject to depreciation, amortization, or depletion; like the initial text, it would not exclude royalties; the substitute text would not exclude passive income</p> <p>Current policy: -\$14b Current law: -\$156b</p>
<p>Base erosion and anti-abuse tax (BEAT)</p>	<p>Modifies and makes permanent the base erosion and anti-abuse tax (BEAT) rate of 10.1% and the current rules regarding credits, and repeals the changes scheduled to apply post-2025; i.e., changes in the BEAT rate and changes that would reduce regular tax liability by the taxpayer's income tax credits for the taxable year.</p> <p>-\$31.1b</p>	<p>BEAT rate increased from 10% to 14%. The modifications to the calculation of allowable credits for taxable years beginning after December 31, 2025, would be removed. Exempted from the definition of BEAT payments are those subject to a "sufficient level of foreign income tax," defined as payments subject to an effective tax rate that is greater than 18.9%. In addition, the</p>	<p>Generally same as House bill, except that BEAT rate increased to 10.5% as of January 1, 2026. Other Senate-proposed BEAT changes (high tax exception, inclusion of capitalized interest, change to base erosion threshold) are not included.</p> <p>Current policy: +\$23.7b Current law: -\$8.8b</p>



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>See EY Alert https://taxnews.ey.com/news/2025-1143</p>	<p>proposal reduces the base erosion percentage threshold safe harbor from 3% to 2% for all taxpayers and treats certain capitalized interest expense as a base erosion payment. The proposed changes apply to taxable years beginning after December 31, 2025, and are permanent. +\$22b</p> <p>See EY Alert, "Senate Finance Committee version of tax reconciliation bill adds new international proposals, modifies other proposals in House-passed bill," https://taxnews.ey.com/news/2025-1330</p>	
Section 899	<p>Creates a new Section 899 aimed at increasing tax rates on "applicable persons," including individuals, foreign governments, foreign corporations, private foundations, certain trusts and certain foreign partnerships with parent entities located in a country that has a discriminatory tax. A discriminatory foreign county is one that has an "unfair foreign tax," or an "exterritorial tax" or "discriminatory tax." An unfair foreign tax includes an</p>	<p>Similar to the House bill, except the increase is 5 percentage points per year up to 15 percentage points and applies with respect to an "extraterritorial tax." Extraterritorial tax is defined to include a UTPR. Discriminatory taxes are separately defined to include any digital services tax, as well as to the extent provided by the Secretary.</p>	Removed



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>undertaxed profits rule (UTPR), digital services tax and diverted profits tax. Proposed Section 899 increases a variety of taxes, including withholding taxes, on applicable persons. Regarding withholding taxes, if another rate of tax applies in lieu of such rate, such as pursuant to a treaty obligation of the United States, such other rate is increased by an applicable number of percentage points. The tax rate increase is generally 5 percentage points per year up to a maximum of 20 percentage points.</p> <p>In addition, the proposed Section 899 modifies the BEAT with respect to corporations that are more than 50% owned by certain applicable persons. The changes to the BEAT in this case would apply regardless of the average annual gross receipts and base erosion percentage of the corporation, regardless of the exception for certain services under Section 59A(d)(5), and by treating certain amounts that are capitalized as if they had been deducted. Proposed Section 899 is effective on the date of enactment</p>	<p>The provision provides a new coordination rule with Section 891 and would modify Section 891 including by defining the terms “extraterritorial tax” and “discriminatory tax” for purposes of Section 891. Section 899 would not apply during any period any increase to any specified rate of tax is in effect under Section 891.</p> <p>The provision would exclude certain types of portfolio interest and interested related dividends excluded from tax under current law, with authority to the Secretary to identify “similar amounts.”</p> <p>Treasury is also provided authority to expand or limit the definition of applicable person.</p> <p>In general, the effective date is delayed by one year. For example, for calendar year taxpayers the provisions would not apply until taxable years after December 31, 2026.</p> <p>Similar to the House bill, Section 899 would also modify Section 59A</p>	



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>DOE but the increased taxes would apply to taxable years beginning after the later of 1) 90 days after the date of enactment, 2) 180 days after the date of enactment of the unfair foreign tax that causes a country to be treated as a discriminatory foreign country, and 3) the first date that the unfair foreign tax of such country begins to apply; and before the last date on which the discriminatory foreign country imposes an unfair foreign tax.</p> <p>A footnote in the Budget Committee report explains that proposed IRC Section 899 would not apply to income that is explicitly excluded from the application of the specified tax because it would only increase the specified rates of tax, including portfolio interest that is excluded from the tax imposed on fixed or determinable annual or periodical gains, profits and income. +\$116.3b</p> <p>See EY Alert, "New IRC Section 899 would increase tax rates and expand BEAT for certain inbound taxpayers," https://taxnews.ey.com/news/2025-1085 and EY Alert</p>	<p>including by removing the gating threshold of the annual gross receipts test and modifying the base erosion percentage test, which would be 0.5 percent. +\$52b</p>	



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	https://taxnews.ey.com/news/2025-1143		
CFC look-through rule	No provision	Made permanent -\$9.4b	Senate provision -\$9.7b
CFC tax year		One-month deferral election for determining a CFC's taxable year under section 898(c) repealed +\$785m	Senate provision +\$785m
Downward attribution		Section 958(b)(4) reinstated to preclude downward attribution from a foreign person to a US person in determining CFC status; new Section 951B added causing certain foreign controlled foreign corporations to be treated as CFCs \$-3.4b	Senate provision \$-3.4b
Pro-rata share rules		Pro rata share rules for subpart F and Section 951A amended by removing the reduction of pro rata by distributions made to other US shareholders (current Section 951(a)(2)(B)) +\$16.3b	Senate provision +\$16.3b
FTC limitation		For purposes of calculating the FTC limitation under Section 904, income of a US person from the sale of inventory produced in the US and attributable to an office or other fixed place of business outside the US is	Senate provision -\$6.4b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		treated as foreign source up to 50% of the total taxable income from such sale. -\$6.6b	

Energy

Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Clean vehicle credit (30D)	Repeals the new clean vehicle credit for vehicles placed in service after December 31, 2025. Allows credit to continue through December 31, 2026, for manufacturers that have sold 200,000 or fewer plug-in electric vehicles or clean vehicles after 2009 and before 2026 +\$78.5b	Repeals credit for vehicles acquired more than 180 days after the DOE +\$78.5b See EY Alert, "Senate Finance Committee modifies energy credit phaseouts in reconciliation bill," https://taxnews.ey.com/news/2025-1331	Terminated for vehicles acquired after September 30, 2025 +\$77.8b
Credit for previously owned clean vehicles (25E)	Repeals previously owned clean vehicle credit for vehicles acquired after December 31, 2025 +\$7.4b	Repeals credit for vehicles acquired more than 90 days after the DOE +\$7.4b See EY Alert https://taxnews.ey.com/news/2025-1331	Terminated for vehicles acquired after September 30, 2025 +\$7.4b
Credit for qualified commercial	Repeals commercial clean vehicle credit for vehicles acquired after December 31, 2025, except for vehicles placed-in-service before 2033	Generally, repeals the credit for vehicles acquired more than 180 days after the DOE. Vehicles under 14,000 lbs. must now comply with the critical	Terminated for vehicles acquired after September 30, 2025 +\$104.5b



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
clean vehicles (45W)	if acquired pursuant to a written binding contract entered into before May 12, 2025 +\$104.5b	mineral and battery component restrictions in 30D effective for vehicles acquired after June 16, 2025. +\$108b See EY Alert https://taxnews.ey.com/news/2025-1331	
Alternative fuel refueling property credit (30C)	Repeals the alternative fuel vehicle refueling vehicle property credit for property placed in service after December 31, 2025 +\$1.2b	Repeals the credit for property placed in service more than 12 months after the DOE +\$2b See EY Alert https://taxnews.ey.com/news/2025-1331	Termination after June 30, 2026 +\$2b
Energy efficient home credit (25C)	Repeals energy efficient home improvement credit for property placed in service after December 31, 2025 +\$21.2b	Repeals the credit for property placed in service more than 180 days after the DOE +\$21.2b See EY Alert https://taxnews.ey.com/news/2025-1331	Termination for expenditures made after December 31, 2025 +\$21.2b
Residential clean energy credit (25D)	Repeals the residential clean energy credit for property placed in service after December 31, 2025 +\$77.4b	Repeals the credit for expenditures made more than 180 days after the DOE +\$77.4b	Termination for expenditures made after December 31, 2025 +\$77.4b



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		See EY Alert https://taxnews.ey.com/news/2025-1331	
Energy efficient commercial buildings deduction (179D)	No provision	Terminates the deduction for property that begins construction more than 12 months after DOE +\$134m See EY Alert https://taxnews.ey.com/news/2025-1331	Termination for property the construction of which begins after June 30, 2026 +\$134m
New energy efficient home credit (45L)	Repeals new energy efficient home credit for homes acquired after December 31, 2025, unless home began construction before May 12, 2025, and is acquired before the end of 2026 +\$6b	Terminates the credit for energy efficient homes acquired more than 12 months after the DOE +\$5.4b See EY Alert https://taxnews.ey.com/news/2025-1331	Termination after June 30, 2026 +\$5.4b
Cost recovery (168(e)(3)(B))	No provision	Repeals special 5-year cost recovery period for energy property defined in 45Y(b)(1)(A) and 48E(b)(2) and (c)(2) placed in service after the DOE +\$404m See EY Alert https://taxnews.ey.com/news/2025-1331	Terminates for property construction beginning after December 31, 2024 +\$324m



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Clean electricity production credit (45Y)	<p>Termination of the credit for facilities that have not begun construction 60 days after DOE and have not been placed in service by December 31, 2028. Foreign Entity of Concern (FEOC) limitations apply, and FEOC “material assistance” restriction applies to facilities that begin construction after December 31, 2025. Prevents credits from being used through leasing arrangements to provide residential solar and wind. Retains transferability.</p> <p>FEOC limitations apply:</p> <ul style="list-style-type: none"> - No credit for tax years beginning after DOE if the taxpayer is a “specified foreign entity” (defined in new Section 7701(a)(51)(B)). - No credit if construction begins after December 31, 2025, and there is “material assistance from a prohibited foreign entity” (defined in new Section 7701(a)(52)) 	<p>Phases out credit for wind and solar facilities equal to 60% of the otherwise available credit for facilities that begin construction in 2026, and 20% for facilities that begin construction in 2027 and 0% in 2028. Eliminates “later of” rule to start phase-down and termination of credit after 2032 (100% in 2033, 75% in 2034, 50% in 2035, and 0% in 2036) for other technologies/facilities. Denies the credit for facilities that receive material assistance from a prohibited foreign entity for facilities that begin construction after December 31, 2025; denies credit for any taxable year beginning after the DOE if the taxpayer is a prohibited foreign entity calculated as of the last day of the taxable year. The material assistance amount is 40% in 2026, 45% in 2027, 50% in 2028, 55% in 2029 and 60% in 2030 and after.</p> <p>+\$24.2</p>	<p>Wind and solar changed to placed-in-service by December 31, 2027, instead of begins construction.</p> <p>Changes effective date of material assistance restrictions to June 16, 2025, instead of December 31, 2025. New direction to Treasury to establish anti-circumvention rules to avoid effective dates by preventing stockpiling.</p> <p>New excise tax is imposed on all solar and wind facilities that begin construction before 2036. July 1 change: For wind and solar, omits the excise tax, changes material assistance effective date back to December 31, 2025, and extends the tax credit timeline such that facilities retain full credit value if they begin construction within one year of the DOE.</p> <p>+\$25b</p>
Clean electricity investment credit (48E)	<ul style="list-style-type: none"> - No credit in tax years starting two years after DOE for a “foreign-influenced” entity 	<p>Phases out credit for wind and solar facilities equal to 60% of the otherwise available credit for facilities that begin construction in 2026, 20% for facilities that begin construction in 2027, and</p>	<p>Wind and solar changed to placed-in-service by December 31, 2027, instead of begins construction. Changes effective date of material assistance restrictions to June 16,</p>



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>(defined in new Section 7701(a)(51)(D))</p> <p>45Y and 48E combined: +\$200b</p>	<p>0% in 2028. Eliminates "later of" rule for all other facilities. Denies the credit for facilities that begin construction after December 31, 2025, and receive material assistance from a prohibited foreign entity. Denies credit for taxable years beginning after DOE if the taxpayer is a prohibited foreign entity.</p> <p>+\$168.8b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1331</p>	<p>2025, instead of December 31, 2025. New direction to Treasury to establish anti-circumvention rules to avoid effective dates by preventing stockpiling.</p> <p>New excise tax is imposed on all solar and wind facilities that begin construction before 2036. For wind and solar, omits the excise tax, changes material assistance effective date back to December 31, 2025, and extends the tax credit timeline such that facilities retain full credit value if they begin construction within one year of the DOE.</p> <p>+\$165.7b</p>
Carbon sequestration (45Q)	<p>Includes two of the FEOC limitations that apply to electricity: credit is denied starting tax years after the DOE if the taxpayer is a "specified foreign entity" and denied starting two years after DOE if the taxpayer is a "foreign-influenced entity." Repeals transferability for carbon capture equipment that begins construction after the date that is 2 years after DOE.</p> <p>+\$18b</p>	<p>Prohibits specified foreign entities or foreign-influenced entities from claiming credit for the taxable years beginning after date of enactment. Applicable to facilities placed in service after 2022: enacts parity for credit value of \$17 regardless of end-use; indexes credit value of \$17 to inflation; retains \$36 credit value for direct air capture. Retains transferability of credits.</p> <p>-\$14.2b</p>	<p>Carbon oxide sequestration credit (45Q) parity for end-use changed from facilities placed-in-service after 2022 to placed-in-service after the date of enactment (DOE: July 4, 2025)</p> <p>-\$14.2b</p>



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		See EY Alert https://taxnews.ey.com/news/2025-1331	
Zero-emission nuclear power production credit (45U)	Expiration on December 31, 2031. Transferability retained. +\$3.78b	Denies credit for taxpayers that are specified foreign entities for taxable years beginning after the DOE; denies credit for taxpayers that are a foreign-influenced entity for taxable years beginning 2 years after the DOE; denies the credit for facilities that utilize nuclear fuel produced in a covered nation (defined in Section 4872(f) of title 10) or by a covered entity (effective taxable years beginning after December 31, 2027) unless obtained pursuant to a written binding contract in effect before January 1, 2023. <i>Negligible revenue effect</i> See EY Alert https://taxnews.ey.com/news/2025-1331	Removes prohibition on utilizing nuclear fuel produced in/by a covered nation <i>Negligible revenue effect</i>
Credit for production of clean hydrogen (45V)	Terminated for facilities on which construction begins after December 31, 2025. +\$9.2b	Repeals credit for facilities the construction of which begins after December 31, 2025 +\$7.1b	Termination for facilities that begin construction after December 31, 2027 +\$5.9b



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		See EY Alert https://taxnews.ey.com/news/2025-1331	
Advanced manufacturing production credit (45X)	<p>Terminates the credit for wind energy components for components sold after 2027 and eliminates sale of all other components, including critical minerals, after 2031. Transferability repealed for components sold after 2027. FEOC restrictions apply as follows: No credit is allowed for taxpayers that are "specified foreign entities" for tax years beginning after the DOE; the "material assistance" FEOC rules apply to manufactured components with a new prohibition on licensing agreements valued in excess of \$1m with a prohibited foreign entity; no credit is allowed for taxpayers that are "foreign-influenced entities" for tax years beginning two years after DOE – for this purpose, the restriction applies across the entire eligible component category in 45X (e.g., solar energy components).</p> <p>+\$44.2b</p>	<p>Adds a new phase-out for critical minerals at 75% of the credit otherwise allowed in 2031, 50% in 2032, 25% in 2033, and no credit in 2034 and beyond. Wind energy components produced and sold after December 31, 2027, are ineligible. For taxable years beginning after the DOE, a taxpayer cannot be a prohibited foreign entity, and the material assistance restriction applies for tax years beginning after the DOE with varying and escalating threshold percentages for solar, wind, inverters, battery components, and applicable critical minerals. Eligible components within an integrated structure are denied effective DOE. Retains transferability.</p> <p>+\$50.7b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1331</p>	<p>Similar to Senate Finance version, but restores "stackability" for integrated components but with a requirement that the secondary component be at least 65% US produced. Adds metallurgical coal to the list of qualifying minerals and allows the Treasury Department to increase the material assistance threshold for critical minerals</p> <p>+\$50b</p>



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Advanced energy project credit (48C)	No provision	Precludes any returned credit allocation from being reissued after the DOE. <i>Negligible revenue effect</i> See EY Alert https://taxnews.ey.com/news/2025-1331	Senate provision <i>Negligible revenue effect</i>
Energy credit (48)	The geothermal heat pump, as a qualifying technology in the legacy Section 48 credit, does not expire for facilities PIS before January 1, 2035. The phase-out rule, FEOC restrictions, and repeal of transferability (facilities beginning construction 2 years after DOE) as applied to 45Y and 48E continue to apply here. +\$22m	No provision	No provision
Clean fuel production credit (45Z)	Repeals transferability for fuel produced after December 31, 2027; extends the credit through 2031; requires fuel to be produced from feedstocks produced or grown in the U.S., Mexico or Canada for fuel sold after December 31, 2025; excludes indirect land use changes for purposes of greenhouse gas emissions analysis and requires new distinct emissions rates for specific manure feedstocks;	Extends the credit through 2031; restricts access to credit for certain foreign entities; prevents double-dipping for entities claiming sustainable aviation fuel (SAF) credit and eliminates Sec. 6426(k) SAF credits after September 30, 2025. For fuels produced after 2025: imposes 20% haircut on credit value for fuels produced from non-domestic feedstocks; maintains ILUC exclusion	Changes Senate Finance version such that the credit is extended through December 31, 2029; small agribiodiesel credit (40A) added with a new 20-cent-per-gallon value through December 31, 2026; and various other modifications including prohibition on foreign feedstocks (other than from Mexico and Canada) -\$25.7b



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	and applies the new “specified foreign entity” limitation effective in tax years beginning after DOE and new “foreign-influenced entity” rule effective two years after DOE. -\$45.36b	from House-bill and provides Secretary authority to establish manure-specific emissions rates; generally prohibits negative emissions rates for fuels (except renewable natural gas (RNG)). Retains transferability. -\$57.1b See EY Alert https://taxnews.ey.com/news/2025-1331	
Publicly traded partnerships (7704)	Expands the definition of qualifying income for publicly traded partnerships to include: 1) income and gains from the transportation or storage of sustainable aviation fuel, liquified hydrogen or compressed hydrogen; and 2) income and gains from the generation, availability for such generation, or storage of electric power, and capture of carbon dioxide by a 45Q facility effective for tax years beginning after December 31, 2025. -\$2b	Similar provision -\$3.23b	Senate provision -\$3.23b
Dyed fuel refund	No provision	Establishes a mechanism for taxpayers to claim a refund on indelibly dyed diesel or kerosene removed from a terminal when that fuel has previously paid federal excise tax. Effective for	Senate provision -\$6m



Provision	House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
		dyed diesel fuel or kerosene removed on or after 180 days after DOE. -\$6m	
Intangible drilling and CAMT	No provision	Requires adjusted financial statement income (AFSI) to also be (i) reduced by any deduction allowed for expenses under Section 263(c) with respect to property described therein to the extent of the amount allowed as deductions in computing taxable income for the year, and (ii) adjusted to disregard any amount of depletion expense that is taken into account on the taxpayer's applicable financial statement with respect to the intangible drilling and development costs of such property -\$427m	Senate provision -\$427m

See EY Alert, "House and Senate proposals would define foreign entities of concern and impose limitations on renewable energy tax credits," <https://taxnews.ey.com/news/2025-1332>

The Senate substitute amendment passed by Congress gives Treasury authority to add any item to "eligible components" and "manufactured products" for the purposes of calculating the material assistance ratio, discretion to raise critical minerals material assistance percentages, and create anti-circumvention rules for beginning of construction to target stockpiling. On July 1, the Senate changed the standard for supplier certification for material assistance to has "reason to know," in the effective control payment rule disqualifying IP contracts were changed to "entered into or modified after the date of enactment," and the existing written binding contract exception to the material assistance restriction is limited to facilities that begin construction before August 1, 2025.



Higher education and individual provisions

Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Tax credit for contributions to scholarship granting organizations	Allows for a credit for qualified contributions to scholarship granting organizations. Cannot exceed the greater of 10% of the taxpayer's aggregate gross income or \$5,000. Effective for taxable years ending after December 31, 2025. -\$20.44b	Similar provision -\$26b	Senate provision -\$26b
Student loans	No provision	Exclusion for employer payments of student loans -\$11.2b	Senate provision -\$11.2b
Charitable contributions for nonitemizers	Allows for an above-the-line deduction of \$150 for individuals and \$300 for married couples for charitable contributions for taxable years beginning after December 31, 2024, and before January 1, 2029. -\$6.95b	Provides a permanent above-the-line deduction of up to \$1,000 for individuals and \$2,000 for married couples for charitable contributions made by taxpayers who do not elect to itemize their tax deductions for taxable years beginning after December 31, 2024. -\$73.75b	Senate provision -\$73.75b
Floor on deduction for charitable contributions	No provision	Imposes a 0.5% floor on charitable contributions for taxpayers who elect to itemize for taxable years after December 31, 2025. The	Senate provision Current policy: +\$64.9b Current law: +\$63.1b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
made by individuals		<p>amount of an individual's charitable contributions for a taxable year is reduced by 0.5% of the taxpayer's contribution base for the taxable year.</p> <p>Also permanently extends the increased contribution limitation for cash gifts made to qualified charities. +\$65b</p>	
Increase excise tax on private college and university endowments	<p>Expands the current excise tax on net investment income of private college and university endowments. First, it introduces a new rate structure from the current 1.4% rate. Institutions with a per-student endowment in excess of \$500,000 and not in excess of \$750,000 are taxed at 1.4%, in excess of \$750,000 and not in excess of \$1.25 million are taxed at 7%; in excess of \$1.25 million and not in excess of \$2 million are taxed at 14%; and, in excess of \$2 million are taxed at 21%.</p> <p>Second, the term "applicable educational institution" means an</p>	<p>Expands the current excise tax on net investment income of private college and university endowments. First, it introduces a new rate structure from the current 1.4% rate in which institutions with a per-student endowment in excess of \$500,000 and not in excess of \$750,000 are taxed at 1.4%; in excess of \$750,000 and not in excess of \$2 million are taxed at 4%; in excess of \$2 million are taxed at 8%.</p> <p>Second, the term "applicable educational institution" means an institution that: 1) has at least</p>	<p>Senate provision but modifies the university endowment tax to apply only to schools with more than 3,000 tuition-paying students. +\$761m</p>



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>institution that: 1) has at least 500 tuition-paying students during the previous taxable year, 2) has more than 50% of the tuition-paying students located in the U.S., 3) is not a state college or university, 4) is not a qualified religious institution, and 5) has a student adjusted endowment of at least \$500,000.</p> <p>Effective for taxable years beginning after December 31, 2025. +\$6.7b</p> <p>See EY Alert, "House reconciliation bill would modify provisions affecting tax-exempt entities," https://taxnews.ey.com/news/2025-1126</p>	<p>500 tuition-paying students during the previous taxable year, 2) has more than 50% of the tuition-paying students located in the U.S., 3) is not a state college or university, 4) is not a qualified religious institution, and 5) has a student adjusted endowment is at least \$500,000.</p> <p>Effective for taxable years beginning after December 31, 2025. +\$3.8b</p>	
Increased excise tax on private foundations	Replaces the current 1.39% excise tax on net investment income with a tiered structure in which private foundations with assets of less than \$50 million are taxed on their net investment income at 1.39%, assets equal to or greater than \$50 million but less than \$250 million are taxed at 2.78%, assets equal to or greater than \$250 million but less than \$5	No provision	No provision



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>billion are taxed at 5%, and assets of at least \$5 billion are taxed at 10%. +\$15.9b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1126</p>		
Changes to UBIT	<p>Makes several additions to what is considered unrelated business income, including parking fringe benefits with certain exceptions for churches, and income that is from research not publicly available. +\$2.7b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1126</p>	No provision	No provision
Excise tax on excess compensation Section 4960	<p>Regarding Section 4960's 21% excise tax on employers that pay over \$1 million in compensation or pay an excess parachute payment to covered employees of tax-exempt organizations, modify the definition of "covered employee" – currently defined as one of the five highest compensated current or former employees for the applicable tax year</p>	<p>Same provision +\$3.8b</p>	<p>Expands the 21% excise tax on employee compensation over \$1 million of a nonprofit to include all employees and former employees retroactively to 2017 +\$3.8b</p>



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<ul style="list-style-type: none"> - to include any current or former employee. +\$3.8b <p>See EY Alert https://taxnews.ey.com/news/2025-1126</p>		
Adjustment of charitable deduction for Alaska whaling	No provision	No provision	Whaling captain expenses treated as a tax-deductible charitable contribution increased from \$10,000 to \$50,000 -\$5m
No tax on tips	<ul style="list-style-type: none"> - Federal income tax deduction equal to the qualified tips that an individual receives during any taxable year - Expands the business tax credit for the portion of FICA/payroll taxes an employer pays on certain tips to include payroll taxes paid on tips received in connection with certain beauty services - Sunsets after December 31, 2028 - Limited to cash tips: 1) received by an employee during the course of employment in an occupation that customarily receives tips, and 2) reported by the employee to the employer for purposes of withholding payroll taxes 	<ul style="list-style-type: none"> Deduction of up to \$25,000, allowed for both employees and independent contractors; allowed for both itemizers and non-itemizers; phases out for AGI over \$150,000 (\$300,000 joint); allowed only from taxable years 2025 through 2028; Social Security number requirement applies; qualified tips defined as any cash tip received by an individual in an occupation that customarily and regularly received tips on or before December 31, 2024, as provided by Treasury <p>-\$30.8b</p>	<ul style="list-style-type: none"> Senate provision but retains House bill expansion of business tax credit to beauty industry <p>-\$31.66b</p>



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>- Doesn't apply to those with compensation over \$160,000 in 2025 and adjusted annually</p> <p>-\$39.7b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1120</p>		
No tax on overtime	<p>Deduction equal to qualified overtime compensation, which doesn't include tips or payments to highly compensated individuals – 5% owners, compensation over \$160,000 – effective December 31, 2024, through December 31, 2028, and Social Security number requirement applies.</p> <p>-\$124b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1120</p>	<p>Deduction of up to \$12,500 (\$25,000 joint) for qualified overtime compensation, phases out for AGI over \$150,000 (\$300,000 joint), also only allowed from taxable years 2025 through 2028</p> <p>-\$89.2b</p>	<p>Senate provision</p> <p>-\$89.6b</p>
Enhanced deduction for seniors	<p>\$4,000 tax deduction between 2025-2028 reduced by 4% of however much of the taxpayer's modified AGI as exceeds \$75,000 (\$150,000 for joint return) between December 31, 2024, and before</p>	<p><i>Addressed in personal exemptions section</i></p>	



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	January 1, 2029, and SSN requirement applies		
No tax on car loan interest	Creates a new income tax deduction for personal interest that includes qualified passenger vehicle loan interest, except fleets, leases, etc., between 2025-2028 -\$30.6b See EY Alert, "House-passed HR 1 contains new information reporting and withholding provisions," https://taxnews.ey.com/news/2025-1187	Similar provision -\$30.6b	Senate provision -\$30.6b
Enhancement of employer-provided child care credit	25% credit increased to 40% (50% in the case of an eligible small business) -\$731m	Similar provision -\$731m	Senate provision -\$731m
FML credit	Extends the paid family and medical leave credit permanently, with modifications -\$5.5b	Similar provision -\$5.5b	Senate provision -\$5.5b
Adoption credit	Treats up to \$5,000 of the adoption tax credit as refundable -\$2.3b	Same provision -\$2.3b	Same provision -\$2.3b
Third-party settlement	Reverts to the previous de minimis reporting exception for third-party settlement organizations -\$8.9b	Same provision -\$8.9b	Same provision -\$8.9b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	See EY Alert https://taxnews.ey.com/news/2025-1187		
Remittance tax	3.5% excise tax generally imposed on any remittance transfer +\$1b See EY Alert, "New 5% excise tax proposed for remittance transfers," https://taxnews.ey.com/news/2025-1108 and EY Alert https://taxnews.ey.com/news/2025-1068	3.5% excise tax generally imposed on any remittance transfer, except exempts transfers from accounts subject to the Bank Secrecy Act or transfers funded with a debit card or credit card issued in the United States +\$1b	1% and additional limitations +\$10b

Savings provisions

Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
Trump accounts	Creates new Trump accounts for beneficiaries younger than age 18, with contribution limit for any taxable year of \$5,000 (except for rollovers and government contributions) with distribution limits until the beneficiary reaches age 31, when it is distributed and ceases to be a Trump account. Distributions from the account that are used for qualified expenses - related to	Same provision -\$17.35b	Same provision, but no distribution restrictions after age 18 and the account does not terminate at age 31 but becomes a traditional IRA -\$15b



Provision	Initial House-passed bill	Senate Finance June 16 version	Senate amendment passed by Congress
	<p>education, business or home purchase – are taxable as capital gains. Under a pilot program, Treasury will pay a one-time credit of \$1,000 to the Trump account of each qualifying child born 2025-2028.</p> <p>-\$17.35b</p> <p>See EY Alert https://taxnews.ey.com/news/2025-1108</p>		
Section 529 accounts	<ul style="list-style-type: none"> - Additional elementary, secondary and home school expenses treated as qualified higher education expenses for purposes of 529 accounts - Certain post-secondary credentialing expenses treated as qualified higher education expenses for purposes of 529 accounts <p>-\$145m</p>	<p>Similar provision, some changes in language</p> <p>-\$130m</p>	<p>Increases the annual \$10,000 tax-free distribution limit on K12 expenses to \$20,000</p> <p>-\$1b</p>
Health reimbursement arrangements	<p>Codifies the final rules permitting employers to offer individual coverage HRAs – renamed as Custom Health Option and Individual Care Expense, or “CHOICE,” arrangements – without violating the group health plan requirements</p> <p>-\$363m</p>	No provision	No provision



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	See EY Alert https://taxnews.ey.com/news/2025-1120		
Health savings accounts	Allows working seniors who are eligible for Medicare Part A, but enrolled in a high-deductible health plan (HDHP), to continue contributing to an HSA; allows HSA funds to be used to pay for direct primary care (DPC) services; allows some Affordable Care Act plans to be eligible for the purpose of making HSA contributions; allows individuals to use their HSA for physical fitness memberships -\$23.5b	No provision	Allows some Affordable Care Act plans to be eligible for the purpose of making HSA contributions; allows HSA funds to be used to pay for DPC services -\$6.3b
Cafeteria plans, Employer Credit for CHOICE Arrangement	- Permits employees enrolled in a CHOICE arrangement in conjunction with a cafeteria plan to use salary reduction to purchase health insurance coverage on an Exchange - Establishes a new credit for employers whose employees are enrolled in CHOICE arrangements maintained by the employer -\$492m	No provision	No provision