Alert | Government Law & Policy

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Congress Passes Funding, Tax Extender Package to Wrap Up the Year

This week Congress finished its work for the year by passing a two-bill package that will avoid a government shutdown and extend several expiring tax provisions. President Trump signed each of the bills on Friday, Dec. 20.

Among the highlights, the "Omnibus" bills would:

- Provide $1.4 trillion to fund federal discretionary programs **through Sept. 30, 2020**, with roughly half of the amount going to defense programs and $1.375 billion available for "border barriers" sought by the Trump Administration
- extend through May 22, 2020:
  - several expiring Medicare, Medicaid, and other public health programs
  - the Community Health Centers fund
  - current levels of "disproportionate share" hospital payments
  - the Temporary Assistance for Needy Families (TANF) program
  - the Child Care Entitlement grant program
- also extend **through Sept. 30, 2020,** the National Flood Insurance Program

- extend **through Dec. 31, 2020** expiring tax provisions affecting:
  - individuals (relating to mortgage debt forgiveness, mortgage insurance premiums, medical expense deductions, and qualified tuition deductions)
  - businesses (relating to the Work Opportunity tax credit, the Family and Medical Leave tax credit, empowerment zones, and lower excise tax rates for beer, wine, and distilled spirits)
  - energy (relating to biofuels, fuel cells, electric vehicles, and energy efficient homes and buildings) ($39 billion budgetary impact)
- extend for **two years**:
  - a higher level of Medicaid funding for Puerto Rico and other territories
  - the Secure Rural Schools Program
- extend for **seven years**:
  - the Terrorism Risk Insurance Program
  - the Export-Import Bank
- extend for **ten years** the Patient-Centered Outcomes Research Trust Fund
- include permanent changes to law that would:
  - **repeal** three revenue provisions from the **Affordable Care Act** – the medical device excise tax, the annual fee on health insurance providers, and the "Cadillac tax" on high cost health coverage – with a projected cost of $377 billion in lost revenue
  - establish **disaster relief** tax provisions ($12.5 billion in lost revenue over ten years)
- provide **new authority** to:
  - raise the legal age to purchase tobacco products to 21
  - transfer federal funds to the UMWA pension plan ($5.8 billion over 10 years)
  - automatically reenroll individuals with health exchange plans if a new plan is not selected

Visit GT's Hot Off The Hill Blog for a more extensive summary on the Non-Appropriations Provisions of the FY2020 Spending Deal.

Author

This GT Alert was prepared by **Robert Mangas**. Questions about this information can be directed to:

- Robert Mangas | +1 202.530.8507 | mangasr@gtlaw.com
- Or your Greenberg Traurig attorney