

Macro Roundup Article

Headline: [Congress Should Approach TCJA Expiration as a Tax Reform Opportunity](#)

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Tweet: [@kpomerleau](#) argues that the expiration of the TCJA offers an opportunity to extend “the most pro-growth aspects” like the 100% bonus depreciation on a revenue-neutral basis by repealing green energy tax credits and business pass-through deductions.

Summary: Lawmakers should approach 2025 as an opportunity to enact fiscally sustainable, pro-growth tax reform. They should attempt to accomplish three goals. First, aim for revenue neutrality or a bill that neither increases nor decreases federal revenue. Second, build on the most pro-growth aspects of the TCJA. First, lawmakers should restore 100% bonus depreciation, ideally on a permanent basis. This provision is the single most pro-growth policy in the law. Lawmakers could increase its growth potential by expanding it to apply to more assets. Third, further clean up the tax code. Even after the TCJA, the federal government still loses more than \$100B a year from itemized deductions. Lawmakers could raise nearly as much by repealing the new green energy tax credits introduced in the IRA. Allowing the deduction for pass-through businesses to expire would reduce the cost of extending the law by more than \$600B.

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Primary Topic: Taxation

Topics: Database, Fiscal Policy, Op-Ed/Blog Post, Politics, Taxation

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