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CLIENT ALERT

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BIPARTISAN BUDGET ACT (BBA)

Late on Friday, February 9, 2018, Congress passed and the President signed the Bipartisan Budget Act (BBA). The BBA is a two-year budget, which included funding the government, until March 23, 2018 and provisions for retroactively extending until December 31, 2017 over 30 tax sections which expired December 31, 2016.

The following is a brief outline of the more notable provisions effecting millions of tax returns:

- Deduction for mortgage insurance premiums.
- Deduction from gross income for college tuition and related expenses.
- Exclusion from income cancellation of qualified mortgage debt on primary personal residence.
- Numerous energy credit provisions for individuals and businesses.
- Accelerated depreciation deductions for various specialized industries.
- The legislation provided permanent provisions for deductions related to casualty losses in California and the storms which took place in 2017.
- Dozens of other tax related provisions, including a new tax form starting next year for seniors 65 and over.
- Passage of the above provisions so late after the end of 2017 will require revision of tax forms, software changes and Internal Revenue Service instructions. This in turn most likely will delay the processing of tax returns effected by the changes.

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Disclaimer: *This e-mail represents a general overview of tax developments and should not be relied upon without an independent, professional analysis of how any of these provisions may apply to a specific situation.*

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