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INTRODUCTION

This document provides a technical explanation of Title VIII of the Tax Reform Act of 2014, a discussion draft prepared by the Chairman of the House Committee on Ways and Means that proposes to reform the Internal Revenue Code. Title VIII of the proposal addresses deadwood and technical provisions.

1 This document may be cited as follows: Joint Committee on Taxation, Technical Explanation of The Tax Reform Act of 2014, A Discussion Draft of The Chairman of The House Committee on Ways and Means To Reform The Internal Revenue Code: Title VIII — Deadwood And Technical Provisions, (JCX-19-14), February 26, 2014. This document can also be found on our website at www.jct.gov.

2 Statutory Draft Version Camp_041.XML.
TITLE VIII — DEADWOOD AND TECHNICAL PROVISIONS

A. Repeal of Deadwood Provisions
   (sec. 8001 of the discussion draft)

Present Law

A number of provisions in the Code have long since expired or are otherwise inapplicable to current taxpayers. Other provisions remain valid but contain transition rules or other time-limited elements (decades old in many cases) that have no current effect. These provisions, transition rules, or time-limited elements are considered “deadwood” in that they have no application in current or future taxable years (other than possibly as generators of net operating loss carryforwards, credit carryforwards, etc.).

Description of Proposal

The proposal repeals as deadwood all or portions of a number of provisions. Below is a list of those deadwood provisions repealed in their entirety.3

- Puerto Rico economic activity credit (sec. 30A)
- Making work pay credit (sec. 36A)
- Environmental tax (sec. 59A)
- Qualified group legal services plans (sec. 120)
- Deduction for clean-fuel vehicles and certain refueling property (sec. 179A)
- Deduction for capital costs incurred in complying with environmental protection agency sulfur regulations (sec. 179B)
- Dividends received on certain preferred stock; and dividends paid on certain preferred stock of public utilities (secs. 244 and 247)
- Expatriation to avoid tax (sec. 877)
- Puerto Rico and possession tax credit (sec. 936)
- Property acquired during affiliation (sec. 1051)
- Credit for State death taxes (secs. 2011 and 2604)
- Family-owned business interest (sec. 2057)
- Luxury passenger automobiles excise tax (secs. 4001, 4002, and 4003)
- 2008 recovery rebates (sec. 6428)
- Advance payment of portion of increased child credit for 2003 (sec. 6429)

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3 Repeal of various transition rules and other deadwood cleanup are not listed.
• COBRA premium assistance (sec. 6432)

The proposal includes a “savings clause” to mitigate the effects of repealing the deadwood items in the event those items have any remaining applicability.

**Effective Date**

The proposal is effective on the date of enactment.