



73 TAX HIKES WENT INTO EFFECT ON NEW YEARS DAY

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It might surprise many people to learn that not one, not two, but **seventy-three** new tax increases went into effect on January 1, 2010. This was the result of Congress letting temporary tax relief expire. They still have time to put the tax relief back in place before the end of the year, but they are gone for now. A complete list of them is maintained by the [Joint Tax Committee](#). Here are some of the more recognizable tax relief which expired:

- The first-time homebuyer credit (\$10.8 billion)
- The research and experimentation tax credit (\$6.97 billion)
- The AMT “patch” to prevent more families from paying the AMT (\$63 billion)
- The additional standard deduction for state and local real estate taxes (\$1.46 billion)
- The itemized deduction for state and local general sales taxes (\$1.85 billion)
- 15-year depreciable life for leasehold improvements and restaurants (\$5.4 billion)
- 50 percent partial expensing for business asset purchases (\$5.074 billion)
- Increase in small business expensing to \$250,000 (\$41 million)
- Above-the-line deduction for college tuition and fees (\$1.53 billion)
- Above-the-line deduction for teacher classroom expenses (\$228 million)
- Tax-free distributions from IRAs to make charitable contributions (\$591 million)
- DC first-time homebuyers credit (\$17 million)

All told, these expiring tax provisions total between \$100-\$150 billion of new tax hikes.

Estimated revenue effects of the individual provisions come from recent legislative scores by the Joint Tax Committee.

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