

# Committee on Ways and Means

## H.R. 4297, *the Tax Increase Prevention and Reconciliation Act of 2005*

### Short Summary of Conference Report

- Capital Gains and Dividends – Two-year extension of reduced capital gains and dividend rates through 2010.
- AMT Relief – Extension of AMT relief for 2006, including increased exemption levels and favorable treatment of non-refundable personal tax credits.
- Enhanced Section 179 Expensing – Two-year extension of enhanced section 179 expensing through 2009.
- Subpart F Reform – Two-year extension of the active financing exception. In addition, the Conference Report establishes the “CFC look-through” rule for three years.
- Revenue Offset Provisions – Narrowly-targeted revenue offset provisions that address specific tax avoidance and compliance issues. The Conference Report does not contain controversial Senate “revenue raisers” that have drawn bipartisan concern, such as codification of the economic substance doctrine.