

List of Tax Expenditures Originated from Federal Law

Item #	TAX EXPENDITURE	FY21 Estimates	Based on IRC or MGL?
1.101	Net Exemption of Employer Contributions and Earnings of Private Pension Plans	\$2,346.2	I.R.C. / M.G.L.
1.004	Exemption of Employer Contributions for Medical Insurance Premiums and Medical Care	\$1,358.6	I.R.C.
1.022	Nontaxation of Capital Gains at Death	\$961.3	I.R.C.
1.021	Exemption of Capital Gains on Home Sale (formerly only for Persons 55 and Over)	\$546.7	I.R.C.
1.304 & 2.305	Modified Accelerate Cost Recovery System (MACRS) for Equipment	\$335.7	I.R.C.
1.003	Exemption of Interest on Life Insurance Policy and Annuity Cash Value	\$255.3	I.R.C.
1.008	Exemption of Public Assistance Benefits	\$202.3	I.R.C.
2.203	Net Operating Loss (NOL) Carryover	\$152.9	I.R.C. / M.G.L.
1.41	Exemption of Medical Expenses	\$144.3	I.R.C. / M.G.L.
1.305 & 2.306	Deduction for Excess First-Year Depreciation	\$138.1	I.R.C.
2.001	Small Business Corporations	\$136.9	I.R.C. / M.G.L.
1.106	Nontaxation of Capital Gains at Time of Gift	\$93.6	I.R.C.
1.415*	Charitable Contributions Tax Deduction	\$300.0	I.R.C. / M.G.L.
1.424	Self-Employed Health Insurance Deduction	\$54.4	I.R.C.
1.425	Student Loan Interest Deduction	\$52.5	I.R.C. / M.G.L.
1.414	Tuition Tax Deduction	\$48.9	I.R.C. / M.G.L.
1.025	Exemption of Veterans' Pensions, Disability Compensation and G.I. Benefits	\$48.9	I.R.C.
1.309 & 2.308	Expensing of Research and Development Expenditures in One Year	\$42.3	I.R.C.
1.03	Exclusion from Gross Income of Parking, T-Pass and Vanpool Fringe Benefits	\$41.9	I.R.C.
1.024	Exemption of Benefits and Allowances to Armed Forces Personnel	\$34.9	I.R.C.
1.001	Exemption of Premiums on Accident and Accidental Death Insurance	\$33.6	I.R.C.
2.201	Charitable Contributions and Gifts Deduction	\$32.1	I.R.C.
1.015	Exemption of Scholarships and Fellowships	\$31.5	I.R.C.
1.002	Exemption of Premiums on Group-Term Life Insurance	\$27.1	I.R.C.
1.409	Deduction for Business-Related Childcare Expenses	\$23.2	I.R.C. / M.G.L.
1.018	Exemption of Meals and Lodging Provided at Work	\$22.8	I.R.C.
1.301 & 2.301	Modified Accelerated Depreciation on Rental Housing	\$22.1	I.R.C.
1.011	Exemption of Dependent Care Expenses	\$14.5	I.R.C.
1.033	Employer-Provided Education Assistance	\$14.0	I.R.C.
1.303 & 2.307	Modified Accelerated Depreciation on Buildings (other than Rental Housing)	\$13.9	I.R.C.
1.422	Health Savings Accounts (deduction)	\$12.0	I.R.C.
1.501	Small Business Stock, Capital Gains Tax Rate	\$11.7	I.R.C. / M.G.L.
1.041	Earnings of Pre-paid and Tuition Savings ("529" plans)	\$11.6	I.R.C.
2.701	Exemption of Credit Union Income	\$9.8	I.R.C. / M.G.L.
1.407	Personal Exemption for Students Aged 19 or Over	\$9.7	I.R.C. / M.G.L.
1.010	Exemption of Workers' Compensation Benefits	\$7.6	I.R.C.
1.012	Exemption of Certain Foster Care Payments	\$4.0	I.R.C.
1.014	Exemption of Rental Value of Parsonages	\$3.2	I.R.C.
1.310 & 2.311	Five-Year Amortization of Pollution Control Facilities	\$2.2	I.R.C.
1.306 & 2.304	Five-Year Amortization of Start-Up Cost	\$1.4	I.R.C.
1.039	Discharge of Indebtedness for Health Care Professionals	\$1.4	I.R.C.
2.101	Deferral of Tax on Certain Shipping Companies	\$0.8	I.R.C.
1.026	Exemption of Military Disability Pensions	\$0.8	I.R.C.
1.203 & 2.204	Excess Natural Resource Depletion Allowance	\$0.6	I.R.C. / M.G.L.
1.312	Expensing of Certain Capital Outlays of Farmers	\$0.5	I.R.C.
2.303	Expenditures to Remove Architectural and Transportation Barriers to the Handicapped and Elderly	\$0.4	I.R.C.
1.311 & 2.313	Seven Year Amortization for Reforestation	\$0.1	I.R.C.
1.019	Treatment of Business-Related Entertainment Expenses	\$0.0	I.R.C.
2.002	Exemption of Income from the Sale, Lease or Transfer of Certain Patents	\$0.0	I.R.C. / M.G.L.
1.032	Employer-Provided Adoption Assistance	Not Active	I.R.C.
1.013	Exemption of Payments Made to Coal Miners	Negligible	I.R.C.
1.017	Exemption of Cost-Sharing Payments	Negligible	I.R.C.
1.419	Business Exp of National Guard and Reserve Members	Negligible	I.R.C.
1.420	Archer Medical Savings Accounts (deduction)	Negligible	I.R.C.
1.421	Clean-Fuel Vehicles and Certain Refueling Prop.	Negligible	I.R.C.
1.308 & 2.309	Expensing of Exploration and Development Costs	Negligible	I.R.C. / M.G.L.
1.016	Exclusion of Certain Prizes and Awards	N.A.	I.R.C.
1.035	Department of Defense Homeowners Assistance Plan	N.A.	I.R.C.
1.036	Survivor Annuities of Fallen Public Safety Officers	N.A.	I.R.C.
1.037	Survivor Annuities of Fallen Astronauts	N.A.	I.R.C.
1.102	Treatment of Incentive Stock Options	N.A.	I.R.C.
1.405	Dependents Exemption where the Child Earns Income	N.A.	I.R.C. / M.G.L.
1.418	Deduction for Costs Involved in Unlawful Discrimination Suits	N.A.	I.R.C.
2.205	Deduction for Certain Dividends of Cooperatives	N.A.	I.R.C.
2.702	Tax-Exempt Organizations	N.A.	I.R.C. / M.G.L.
1.031	Health Savings Accounts (exemption)	Included in 1.422	I.R.C.
1.04	Archer Medical Savings Accounts (exemption)	Included in 1.420	I.R.C.

Note: Numbers are in \$ millions;

* Full fiscal year impact estimate, not FY21 impact estimate;

"Not Active" means that the relevant law is not active;

"Negligible" means that the estimate is less than \$50,000 but greater than zero;

"N.A." means that the estimate is not available.