

26 CFR 601.602: Tax forms and instructions.
(Also Part I, §§ 1, 23, 24, 32, 36B, 42, 45R, 55, 59, 62, 63, 125, 132(f), 135, 137, 146, 147, 148, 152, 179, 179D, 199A, 213, 220, 221, 448, 461, 512, 513, 642, 831, 877, 877A, 911, 1274A, 2010, 2032A, 2503, 2523, 4161, 4261, 6033, 6039F, 6323, 6334, 6601, 6651, 6652, 6695, 6698, 6699, 6721, 6722, 7345, 7430, 7702B, 9831; 1.148-5.)

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SECTION 2. CHANGES

.01 For taxable years beginning after December 31, 2020, Div. EE, Title I, Subtitle A, §104 of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260 (Consolidated Appropriations Act, 2021) provides that the allowable amount of the: (i) American Opportunity Tax Credit under § 25A(b) of the Code is phased out for taxpayers with modified adjusted gross income in excess of \$80,000 (\$160,000 for joint returns); and (ii) Lifetime Learning Credit under § 25A(c) of the Code is phased out for taxpayers with modified adjusted gross income in excess of \$80,000 (\$160,000 for joint returns). The phaseout range provided in § 25A(d)(2) is not adjusted for inflation for taxable years beginning after December 31, 2020.

.02 For taxable years beginning after December 31, 2020, Div. EE, Title I, Subtitle A, §102 of the Consolidated Appropriations Act, 2021, provides that the energy efficient commercial buildings deduction is made permanent. In addition, the amount under § 179D(b)(1) used to determine the maximum amount of the deductions and the amount under § 179D(d)(1)(A) used to determine the partial allowance amount of the deduction are adjusted for inflation, beginning with taxable years beginning after December 31, 2020. As a result, for taxable years beginning in 2021, the maximum amount of the deduction allowed under section 179D(b) is \$1.82. For taxable years beginning in 2021, the amount used to determine the partial allowance of the deduction under section 179D(d)(1)(A) is \$0.61.

SECTION 3. 2022 ADJUSTED ITEMS

.01 Tax Rate Tables. For taxable years beginning in 2022, the tax rate tables under § 1 are as follows:

.20 Private Activity Bonds Volume Cap. For calendar year 2022, the amounts used under § 146(d) to calculate the State ceiling for the volume cap for private activity bonds is the greater of (1) \$110 multiplied by the State population, or (2) \$335,115,000.

.21 Loan Limits on Agricultural Bonds. For calendar year 2022, the loan limit amount on agricultural bonds under § 147(c)(2)(A) for first-time farmers is \$575,400.

.22 General Arbitrage Rebate Rules. For bond years ending in 2022, the amount of the computation credit determined under § 1.148-3(d)(4) of the Income Tax Regulations is \$1,830.

.23 Safe Harbor Rules for Broker Commissions on Guaranteed Investment Contracts or Investments Purchased for a Yield Restricted Defeasance Escrow. For calendar year 2022, under § 1.148-5(e)(2)(iii)(B)(1), a broker's commission or similar fee for the acquisition of a guaranteed investment contract or investments purchased for a yield restricted defeasance escrow is reasonable if (1) the amount of the fee that the issuer treats as a qualified administrative cost does not exceed the lesser of (A) \$43,000, and (B) 0.2 percent of the computational base (as defined in § 1.148-5(e)(2)(iii)(B)(2)) or, if more, \$4,000; and (2) for any issue, the issuer does not treat more than \$122,000 in brokers' commissions or similar fees as qualified administrative costs for all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with gross proceeds of the issue.

.24 Gross Income Limitation for a Qualifying Relative. For taxable years beginning in 2022, the exemption amount referenced in § 152(d)(1)(B) is \$4,400.

.25 Election to Expense Certain Depreciable Assets. For taxable years beginning in 2022, under § 179(b)(1), the aggregate cost of any § 179 property that a taxpayer elects

to treat as an expense cannot exceed \$1,080,000 and under § 179(b)(5)(A), the cost of any sport utility vehicle that may be taken into account under § 179 cannot exceed \$27,000. Under § 179(b)(2), the \$1,080,000 limitation under section 179(b)(1) is reduced (but not below zero) by the amount by which the cost of § 179 property placed in service during the 2022 taxable year exceeds \$2,700,000.

.26 Energy Efficient Commercial Building Deduction. For taxable years beginning in 2022, the maximum amount of the deduction allowed under section 179D(b) is \$1.88. For taxable years beginning in 2022, the amount used to determine the partial allowance of the deduction under section 179D(d)(1)(A) is \$0.63.

.27 Qualified Business Income. For taxable years beginning in 2022, the threshold amounts under § 199A(e)(2) and phase-in range amounts under § 199A(b)(3)(B) and § 199A(d)(3)(A) are:

Filing Status	Threshold amount	Phase-in range amount
Married Individuals Filing Joint Returns	\$340,100	\$440,100
Married Individuals Filing Separate Returns	\$170,050	\$220,050
All Other Returns	\$170,050	\$220,050

.28 Eligible Long-Term Care Premiums. For taxable years beginning in 2022, the limitations under § 213(d)(10), regarding eligible long-term care premiums includible in the term "medical care," are as follows:

<u>Attained Age Before the Close of the Taxable Year</u>	<u>Limitation on Premiums</u>
40 or less	\$450
More than 40 but not more than 50	\$850
More than 50 but not more than 60	\$1,690

received under qualified long-term care insurance contracts or under certain life insurance contracts) of this revenue procedure.

SECTION 5. DRAFTING INFORMATION

The principal author of this revenue procedure is William Ruane of the Office of Associate Chief Counsel (Income Tax & Accounting). For further information regarding this revenue procedure, contact Mr. Ruane at (202) 317-4718 (not a toll-free call).