



Congress Passes Tax Package without WOTC/WtW Extension

May 16, 2006 -- Last week Congress passed the Tax Increase Prevention and Reconciliation Act of 2005. Unfortunately, WOTC and WtW extensions were removed from the bill prior to passage.

Due to budget constraints placed on the Reconciliation bill, the WOTC, WtW and other extension provisions will eventually be placed in a second tax "trailer" bill. During the negotiations on the Reconciliation bill, Senate Finance Committee Chairman Chuck Grassley (R-Iowa) demanded assurances that the trailer bill will be finalized and enacted. Both Grassley and House Ways and Means Committee Chairman Bill Thomas (R-California) have stated that negotiations are underway on the terms of the trailer bill.

Although the timing of the trailer bill is not certain, First Advantage has received assurances from Congressional leaders that it is the next tax priority. First Advantage met with the offices of House Speaker, House Majority Leader, House Republican Study Chairman, House Majority Whip, House Chief Deputy Whip, House Senate Majority Leader, and the Senate Ranking Member of Finance over the past week to continue to campaign for the extensions.

If you have questions or would like more information on how you can be involved in extension efforts, please contact Carol Kleis at (609) 730-0669 or ckleis@fadv.com.



This document is intended to provide a brief synopsis of recent developments in federal and state tax credits and incentives. Because the matters described above are complicated in nature, the reader should contact a First Advantage tax professional prior to acting on the above information. This information is not intended as, and should not be construed as, tax advice.