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119TH CONGRESS
1ST SESSION

H. R. 1691

To amend the Internal Revenue Code of 1986 to allow unreimbursed employee expenses to be taken into account as miscellaneous itemized deductions.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2025

Mr. GROTHMAN (for himself and Mr. HARRIS of Maryland) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow unreimbursed employee expenses to be taken into account as miscellaneous itemized deductions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ‘‘Employee Business Expense Deduction Reinstatement Act of 2025’’.

SEC. 2. UNREIMBURSED EMPLOYEE EXPENSES TAKEN INTO ACCOUNT AS MISCELLANEOUS ITEMIZED DEDUCTION.

(a) IN GENERAL.—Section 67(g) of the Internal Revenue Code of 1986 is amended—

(1) by striking "THROUGH 2025.—Notwithstanding subsection (a)" and inserting the following; "THROUGH 2027.—

"(1) IN GENERAL.—Notwithstanding subsection (a), and except to the extent provided in paragraph (2)", and

(2) by adding at the end the following new paragraph:

"(2) EXCEPTION FOR UNREIMBURSED FOOD, LODGING, TRAVEL, OR TRANSPORTATION EXPENSES OF EMPLOYEES.—For such taxable years—

"(A) IN GENERAL.—An individual may take into account under subsection (a) 85 percent of any miscellaneous itemized deductions for the taxable year which are unreimbursed food, lodging, travel, or transportation expenses paid or incurred by the individual in connection with the performance of services as an employee.

"(B) MODIFIED FLOOR.—Subsection (a) shall be applied by substituting '1 percent' for '2 percent'.".

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in section

11045 of Public Law 115–97 (commonly known as the Tax Cuts and Jobs Act).

(c) EXTENSION OF STATUTE OF LIMITATION ON CREDIT OR REFUND.—If the period of limitation on a credit or refund resulting from the amendments made by subsection (a) expires before the end of the 1-year period beginning on the date of the enactment of this Act, refund or credit of such overpayment (to the extent attributable to such amendments) may, nevertheless, be made or allowed if claim therefor is filed before the close of such 1-year period.

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