



A. INDIVIDUAL TAX REFORM

- 1. Rates, Standard Deduction, and Exemptions
 - a. Individual income tax rates [Act §11001, §11002; I.R.C. §1, §6695]1
 - b. Standard deduction [Act §11021; I.R.C. §63].....3
 - c. Personal exemptions [Act §11041; I.R.C. §151, §152, §153, §3402].....4
- 2. Family and Individual Tax Credits
 - a. Child tax credit [Act §11022; I.R.C. §24].....5
- 3. Educational Incentives
 - a. Coverdell education accounts and §529 plans [Act §11032; I.R.C. §529, §530].....7
 - b. Discharge of student loan indebtedness [Act §11031; I.R.C. §108].....7
 - c. Rollovers between qualified tuition programs and qualified ABLE programs [Act §11025; I.R.C. §529, §529A].....9
- 4. Simplification and Reform of Deductions
 - a. Overall limitation on itemized deductions [Act §11046; I.R.C. §68].....10
 - i. Mortgage and home equity interest deduction [Act §11043; I.R.C. §163].....11
 - ii. State and local taxes [Act §11042; I.R.C. §164].....12
 - iii. Personal casualty loss and theft loss deduction [Act §11044; I.R.C. §165]]..... 13
 - b. Limitation on wagering losses [Act §11050; I.R.C. §165]]..... 14
 - c. Charitable contributions [Act §11023, §13704, §13705; I.R.C. §170]..... 15
 - d. Medical expense deduction [Act §11027; I.R.C. §105, §213]]..... 17
 - e. Alimony deduction [Act §11051; I.R.C. §61, §71, §215].....17
 - f. Moving expense deduction [Act §11049; I.R.C. §134, §217]18
 - g. Miscellaneous itemized deductions [Act §11045; I.R.C. §67]19
 - h. Deduction for living expenses incurred by Members of Congress [Act §13311; I.R.C. §162]20
 - i. Relief for 2016 disaster areas [Act §11028; I.R.C. §72(t), §165]21
- 5. Exclusions and Taxable Compensation
 - a. Employee achievement awards [Act §13310; I.R.C. §74, §274].....22
 - b. Qualified bicycle commuting reimbursement [Act §11047; I.R.C. §132]23
 - c. Exclusion for qualified moving expense reimbursement [Act §11048; I.R.C. §132]23
 - d. Increased contributions to ABLE accounts and saver's credit [Act §11024; I.R.C. §25B, §529A]...24
 - e. Treatment of certain individuals performing services in the Sinai Peninsula of Egypt
 - f. [Act §11026; I.R.C. §112] 26
- 6. Simplification and Reform of Savings, Pensions, Retirement
 - a. Roth IRA and traditional IRA recharacterization [Act §13611; I.R.C. §408A(d)].....27
 - b. Rollover of plan loan offsets [Act §13613; I.R.C. §402] 28



- 7. Length of service awards for public safety volunteers [Act §13612; I.R.C. §457]29
- 8. Taxpayer Rights and Tax Administration
 - a. Extend time for contesting IRS levy [Act §11071; I.R.C. §6343, §6532]30
- 9. Health Care
 - a. Elimination of shared responsibility payment for individual failing to maintain minimum essential coverage [Act §11081; I.R.C. §5000A] 31

B. ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES

- 1. Estate and Gift Taxes [Act §11061; I.R.C. §1014, §2001-§2210, §2502, §2505, §2801].....32
- 2. Generation-skipping Transfer Tax [Act §11061; I.R.C. §2601-§2664]33

C. ALTERNATIVE MINIMUM TAX

- 1. Corporate alternative minimum tax [Act §12001, §12002; I.R.C. §53, §55-§59]34
- 2. Individual alternative minimum tax [Act §12003; I.R.C. §55]35

D. BUSINESS TAX REFORM

- 1. Tax Rates and Related Reforms
 - a. Reduction in corporate tax rate [Act §13001; I.R.C. §11]36
 - b. Reduction of dividends received deduction to reflect lower corporate income tax rates [Act §13002; I.R.C. §1, §243]37
- 2. Pass-through Entities
 - a. Pass-through business income of individuals [Act §11011; I.R.C. §1, §199A (new), §701, §1366, §1402] 38
 - b. Technical termination of partnerships [Act §13504; I.R.C. §708].....42
 - c. Carried interest [Act §13309; I.R.C. §83, §1061 (new)].....42
 - d. Tax gain on the sale of a partnership interest on look-through basis [Act §13501; I.R.C. §864, §1446]44
 - e. Substantial built-in loss in the case of transfer of partnership interest [Act §13502; I.R.C. §743].....46
 - f. Charitable contributions and foreign taxes taken into account in determining limitation on allowance of partner's share of loss [Act §13503; I.R.C. §704].....47
 - g. Qualifying beneficiaries of an electing small business trust [Act §13541; I.R.C. §1361].....48
 - h. Charitable contribution deduction for electing small business trusts [Act §13542; I.R.C. §170, §641, §642]48
- 3. S corporation conversions to C corporations [Act §13543; I.R.C. §481, §1371]49

4.	Cost Recovery	
a.	Bonus depreciation [Act §13201; I.R.C. §168(k)]	49
b.	Depreciation limitations on luxury automobiles and personal use property [Act §13202; I.R.C. §280F]	52
c.	Depreciation of certain farm property [Act §13203; I.R.C. §168]	54
d.	Applicable recovery period for real property; use of ADS for electing farming businesses [Act §13204, §13205; I.R.C. §168]	56
e.	Expensing of certain costs of replanting citrus plants lost by reason of casualty [Act §13207; I.R.C. §263A]	58
5.	Accounting Methods	
a.	Taxable year of inclusion [Act §13221; I.R.C. §451, §481]	58
6.	Small Business Reforms	
a.	Section 179 expensing [Act §13101; I.R.C. §179]	60
b.	Small business accounting method use of gross receipts method [Act §13102(a); I.R.C. §448, §471]	61
c.	Uniform capitalization of certain expenses [Act §13102(b); I.R.C. §263A]	62
d.	Inventory accounting rules for small businesses [Act §13102(c); I.R.C. §448, §471]	62
e.	Gross receipts test for construction contract exception to percentage of completion method [Act §13102(d); I.R.C. §460]	64
f.	Small business exemption from limitation on deduction of business interest [Act §13301; I.R.C. §163(j)]	64
7.	Business-related Exclusions, Deductions, Etc.	
a.	Limitation on losses for taxpayers other than corporations [Act §11012; I.R.C. §461]	65
b.	Interest [Act §13301; I.R.C. §163]	66
c.	Net operating loss deduction [Act §13302; I.R.C. §172]	68
d.	Contributions to capital [Act §13312; I.R.C. §118]	69
e.	Deduction for certain fines, penalties, and other amounts [Act §13306; I.R.C. §162, §6050X (new)]	70
f.	Denial of deduction for settlements subject to a nondisclosure agreement paid in connection with sexual harassment or sexual abuse [Act §13307; I.R.C. §162]	71
g.	Local lobbying expense deduction [Act §13308; I.R.C. §162]	71
h.	Domestic production activities deduction [Act §13305; I.R.C. §199]	72
i.	Entertainment, etc expenses [Act §13304; I.R.C. §274]	73
j.	Research and experimental expenditures [Act §13206; I.R.C. §174]	74
8.	Self-created property not treated as a capital asset [Act §13314; I.R.C. §1221(a)(3)]	75
9.	Banks and Financial Instruments	
a.	Deduction for FDIC premiums [Act §13531; I.R.C. §162]	75



b. Rollover of publicly traded securities gain into specialized small business investment companies [Act §13313; I.R.C. §1044]	76
10. Business Credits	
a. Orphan drug credit [Act §13401; I.R.C. §45C, §280C]	77
b. Rehabilitation credit [Act §13402; I.R.C. §47]	77
c. Employer credit for paid family and medical leave [Act §13403; I.R.C. §45S (new)]	78
11. Bond Reforms	
a. Tax credit bonds [Act §13404; I.R.C. §54, §54A, §54B, §54C, §54D, §54E, §54F, §54AA, §6431]	78
12. Insurance.....	80
a. Small life insurance company deduction [Act §13512; I.R.C. §806]	81
b. Adjustment for change in computing reserves [Act §13513; I.R.C. §807]	81
c. Distributions to shareholders from pre-1984 policyholders surplus account [Act §13514; I.R.C. §815]	82
d. Proration rules for property and casualty insurance companies [Act §13515; I.R.C. §832]	83
e. Discounting rules for property and casualty insurance companies [Act §13523; I.R.C. §846].....	84
f. Special estimated tax payments [Act §13516; I.R.C. §847]	85
g. Computation of life insurance tax reserves [Act §13517; I.R.C. §807]	86
h. Modification of rules for life insurance proration for purposes of determining the dividends received deduction [Act §13518; I.R.C. §812]	88
i. Policy acquisition expenses [Act §13519; I.R.C. §848]	89
j. Tax reporting for life settlement transactions, clarification of tax basis of life insurance contracts, and exception to transfer for valuable consideration rules [Act §13520, §13521, §13522; I.R.C. §101, §1016, §6047, §6050Y (new)]	90
k. Scope of Transfer for Value Rules.....	92
13. Compensation	
a. Excessive employee remuneration [Act §13601; I.R.C. §162(m)]	92
b. Qualified equity grants [Act §13603; I.R.C. §83, §3402, §6652]	94
c. Excise tax rate for stock compensation of insiders in expatriated corporations [Act §13604; I.R.C. §4985]	95

E. TAXATION OF FOREIGN INCOME AND FOREIGN PERSONS

1. Establishment of Participation Exemption System for Taxation of Foreign Income.....	96
a. Special rules relating to sales or transfers involving specified 10% owned foreign corporations [Act §14102; I.R.C. §91 (new), §367, §961, §964, §1248]	97



- b. Treatment of deferred foreign income upon transition to “participation exemption system” of taxation [Act §14103; I.R.C. §965, §7874]99
- 2. Modifications Related to Foreign Tax Credit System
 - a. Repeal of indirect foreign tax credits; determination of deemed foreign tax credit on current-year basis [Act §14301; I.R.C. §78, §902§960]101
 - b. Source of inventory sales income [Act §14303; I.R.C. §863]102
 - c. Separate foreign tax credit limitation basket for foreign branch income [Act §14302; I.R.C. §904]102
 - d. Election to increase percentage of domestic taxable income offset by overall domestic loss treated as foreign source [Act §14304; I.R.C. §904]103
- 3. Modification of Subpart F Provisions
 - a. Qualified investments [Act §14212; I.R.C. §955]104
 - b. Foreign base company income [Act §14211; I.R.C. §954(a), §954(c)(6)]105
 - c. Attribution from foreign shareholders [Act §14213; I.R.C. §958(b)(4), §6038]105
 - d. Immediate CFC status [Act §14215; I.R.C. §951(a)(1)]106
 - e. Modification of definition of United States shareholder [Act §14214; I.R.C. §951(b)]106
- 4. Rules Related to Passive and Mobile Income: Taxation of Foreign-Derived Intangible Income and Global Intangible Low-Taxed Income
 - a. Global intangible low-taxed income (GILTI) [Act §14201; I.R.C §951A (new)]107
 - b. Deduction for foreign-derived intangible income and global intangible low-taxed income [Act §14202; I.R.C. §250 (new)]109
- 5. Base Erosion and Anti-Abuse Tax (BEAT)
 - a. Tax on base erosion payments of taxpayers with substantial gross receipts [Act §14401; I.R.C. §59A (new), §6038A]111
- 6. Limitations on income shifting through intangible property transfers [Act §14221; I.R.C. §367, §482, §936]113
- 7. Certain related party amounts paid or accrued in hybrid transactions or with hybrid entities [Act §14222; I.R.C. §267A (new)]114
- 8. Surrogate foreign corporations not eligible for reduced rate on dividends [Act §14223; I.R.C. §1]115
- 9. Other International Reforms
 - a. Restriction on insurance business exception to passive foreign investment company rules [Act §14501; I.R.C. §1297]116
 - b. Repeal of fair market value of interest expense apportionment [Act §14502; I.R.C. §864]117



F. EXEMPT ORGANIZATIONS

- 1. Unrelated Business Income Tax
 - a. Unrelated business taxable income separately computed for each trade or business [Act §13702; I.R.C. §512]118
 - b. Unrelated business taxable income separately computed for each trade or business [Act §13702; I.R.C. §512]119
- 2. Excise Taxes
 - a. Excise tax on investment income of private colleges and universities [Act §13701; I.R.C. §4968 (new)]120
 - b. Excise tax on tax-exempt organization executive compensation [Act §13602; I.R.C. §4960 (new)]121

G. OTHER PROVISIONS

- 1. CRAFT Beer Modernization and Tax Reform
 - a. Exempt aging period from UNICAP rules related to interest [Act §13801; I.R.C. §263A]122
 - b. Reduced rate of excise tax on beer [Act §13802; I.R.C. §5051]123
 - c. Transfers of beer in bond [Act §13803; I.R.C. §5414]124
 - d. Reduced rate of tax on certain wine [Act §13804; I.R.C. §5041(c)]125
 - e. Adjust alcohol content level of wine for application of excise taxes [Act §13805; I.R.C. §5041(b)]126
 - f. Definition of mead and low alcohol by volume wine [Act §13806; I.R.C. §5041] 127
 - g. Reduced excise tax rates on distilled spirits [Act §13807; I.R.C. §5001] 127
 - h. Allow transfer of bonded spirits in bottles [Act §13808; I.R.C. §5212]128
- 2. Miscellaneous Provisions
 - a. Alaska Native Corporations and settlement trusts [Act §13821; I.R.C. §139G (new), §247 (new), §6039H]129
 - b. Aircraft management services [Act §13822; I.R.C. §4261]132
 - c. Qualified opportunity zones [Act §13823; I.R.C. §1400Z-1 (new), §1400Z-2 (new)] 133
 - d. Permanent Exclusion of Capital Gains from the Sale or Exchange of an Investment in an Opportunity Fund.....134