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#17-2 128 R3 **VERY PRELIMINARY** 15-Dec-17

# ESTIMATED BUDGET EFFECTS OF THE CONFERENCE AGREEMENT FOR H.R. 1, THE "TAX CUTS AND JOBS ACT"

### Fiscal Years 2018 - 2027

[Billions of Dollars]

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
I. Individual Tax Reform													
A. Simplification and Reform of Rates, Standard Deductions, and Exemptions													
1. 10%, 12%, 22%, 24%, 32%, 35%, and 37% income													
tax rate brackets (sunset 12/31/25) [1][2]	tyba 12/31/17	-94.1	-135.3	-140.9	-146.4	-152.0	-158.1	-164.3	-171.1	-52.0	[3]	-668.7	-1,214.2
2. Modify standard deduction (\$12,000 for singles, \$24,000 for married filing jointly, \$18,000 for HoH) (sunset													
12/31/25) [2]	tyba 12/31/17	-57.2	-82.6	-84.7	-87.5	-90.7	-92.9	-95.7	-99.1	-30.0	[3]	-402.6	-720.4
3. Repeal of deduction for personal exemptions (sunset	generally												
12/31/25) [2]	tyba 12/31/17	93.3	137.1	141.6	146.4	151.8	157.6	163.3	169.2	51.3		670.1	1,211.5
4. Alternative inflation measure [2]	tyba 12/31/17	0.8	2.1	5.5	8.2	10.4	12.8	16.6	20.0	25.6	31.5	27.0	133.5
B. Treatment of Business Income of Individuals, Trusts, and Est	ates												
1. Allow 20 percent deduction of qualified business income and certain dividends for individuals and for gross income													
of agricultural or horticultural cooperatives (sunset	generally												
12/31/25) [4]	tyba 12/31/17	-27.7	-47.1	-49.9	-51.8	-52.8	-52.2	-53.6	-53.2	-24.2	-1.9	-229.5	-414.5
2. Disallow active passthrough losses in excess of \$500,000													
for joint filers, \$250,000 for all others (sunset 12/31/25)	tyba 12/31/17	9.5	16.2	17.2	18.0	18.8	19.6	20.4	19.4	9.3	1.3	79.7	149.7
C. Reform of the Child Tax Credit													
1. Modification of child tax credit: \$2,000 not indexed;													
refundable up to \$1,400 indexed down to nearest \$100													
base year 2018; \$2,500 refundability threshold not													
indexed; \$500 other dependents not indexed; phase outs													
\$200K/\$400K not indexed (sunset 12/31/25) [2]	tyba 12/31/17	-29.3	-67.7	-69.2	-70.4	-71.4	-73.8	-74.9	-76.0	-40.7		-308.1	-573.4
2. Require valid Social Security number of each child to													
claim refundable and non-refundable portions of child													
credit, non-child dependents and any child without a valid													
Social Security number still receives \$500 non-refundable													
credit (sunset 12/31/25) [2]	tyba 12/31/17		3.9	3.8	3.8	3.7	3.8	3.7	3.7	3.0	0.5	15.2	29.8

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
D. Simplification and Reform of Deductions and Exclusions													
1. Repeal of itemized deductions for taxes not paid or													
accrued in a trade or business (except for up to \$10,000 in													
State and local taxes), interest on mortgage debt in excess													
of \$750K, interest on home equity debt, non-disaster	11												
casualty losses, and certain miscellaneous expenses (sunset		12.5	70.4	72.0	77.1	00.0	07.0	04.0	100.2	41.1		245.2	660.4
12/31/25) [2]	tyba 12/31/17	43.5	70.4	72.0	77.1	82.3	87.9	94.0	100.2	41.1		345.3	668.4
of cash to public charities (sunset 12/31/25)	cmi tyba 12/31/17					Eatim	ata Inalud	ad in Itam	ID 1				
Repeal of overall limitation on itemized deductions	Cilii tyba 12/31/17 -					Estimo	ше тсша	ea in 11em	1.D.1				
(sunset 12/31/25)	tyba 12/31/17 -					Fstim	ate Includ	ed in Item	ID1				
4. Repeal exclusion for employer-provided bicycle commuter	•					Little	aic meimi	cu in nem	1.D.1.				
fringe benefit (sunset 12/31/25)		[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]		[5]	[5]
5. Repeal exclusion for employer-provided qualified	.,	[-]	£- J	£- J	£- 3	£- 3	£- J	£- J	£-3	£- 3		£- J	£-3
moving expense reimbursements (other than members													
of the Armed Forces) (sunset 12/31/25) [6][7]	tyba 12/31/17	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.2		2.7	4.8
6. Repeal of deduction for moving expenses (other													
than members of the Armed Forces) (sunset													
12/31/25)	tyba 12/31/17	0.6	0.8	0.9	0.9	1.0	1.0	1.0	1.1	0.3		4.1	7.6
7. Limitation on wagering losses (sunset 12/31/25)	tyba 12/31/17	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]		0.1	0.1
E. Retirement Savings													
1. Repeal of special rule permitting recharacterization													
of Roth conversions	tyba 12/31/17	[5]	[5]	[5]	[5]	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5
2. Length of service awards for public safety													
volunteers [8]	tyba 12/31/17	[3]	[3]	[3]	[3]	[3]	[3]	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
3. Extended rollover period for certain plan loan offsets	tyba 12/31/17					Ne	gligible R	evenue Eff	ect				
F. Double Estate, Gift, and GST Tax Exemption Amount	11 0 10/01/15		0.4	0.0	0.4	0.5	10.1	10.5		44.0	2.2	2.50	00.0
(sunset 12/31/25)	dda & gma 12/31/17	-1.2	-8.1	-8.8	-9.1	-9.6	-10.1	-10.7	-11.1	-11.0	-3.3	-36.8	-83.0
G. Increase the Individual AMT Exemption Amounts and	4-1- 10/21/17	60	92.5	<b>60.0</b>	74.0	90.5	01.6	95.6	00.1	<i>(5.</i> 2)	[2]	2147	C27.1
Phase-out Thresholds (sunset 12/31/25)	tyba 12/31/17	-6.9	-82.5	-69.9	-74.9	-80.5	-81.6	-85.6	-90.1	-65.2	[3]	-314.7	-637.1
H. Reduce ACA Individual Shared Responsibility	mbo 12/21/19		6.0	9.7	28.4	37.0	40.7	43.5	46.1	10.6	53.3	90 9	214.1
Payment Amount to Zero [2][9][10]  I. Other Provisions	mba 12/31/18		0.0	9.7	∠8.4	37.0	40.7	43.3	46.1	49.6	33.3	80.8	314.1
Restore a medical expense deduction for expenses in													
excess of 7.5 percent of adjusted gross income (sunset													
12/31/18)	tyba 12/31/16	-3.8	-1.4									-5.2	-5.2
2. Allow for increased contributions to ABLE accounts;	ty 00 12/31/10	5.0	1.7									5.2	3.2
allow saver's credit for ABLE contributions (sunset													
12/31/25)	tyba DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
3. Allow rollovers from 529 accounts to ABLE accounts	•	r- 1	r- 1	r- 1	r- 1	r- 1	r- 1	r- 1	r- 1	r- 1	r- J	r- 1	r- a
(sunset 12/31/25)	da DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
4. Extend time limit for contesting IRS levy	[11]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
5. Treatment of certain individuals performing services													
in the Sinai Peninsula of Egypt (sunset 12/31/25)	spo/a 6/9/15	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]		[3]	[3]
6. Treatment of student loans discharged on account of	4-:- 10/21/17	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	[2]	0.1
death or disability (sunset 12/31/25)7. Allow 529 withdrawals up to \$10,000 for primary and	doia 12/31/17	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-0.1
secondary education	da 12/31/17	[3]	[3]	[3]	[3]	[3]	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
8. Retirement plan and casualty loss relief for any area	da 12/31/17	[9]	[5]	[2]	[2]	ری	0.1	0.1	0.1	0.1	0.1	0.1	0.3
with respect to which a major disaster has been declared by													
the President under section 401 of the Robert T. Stafford													
Relief and Emergency Assistance Act during 2016	DOE	-3.2	-1.3	[5]	[5]	[3]	[3]	[3]	[3]	[3]	[3]	-4.6	-4.6
9. Repeal of deduction for alimony payments and	generally												
corresponding inclusion in income	dosaeia 12/31/18		0.1	0.2	0.4	0.5	0.7	0.9	1.1	1.4	1.7	1.2	6.9
Total of Individual Tax Reform		-75.3	-188.8	-171.9	-156.3	-150.8	-144.0	-140.9	-139.2	-41.4	83.0	-744.0	-1,126.6
II. Business Tax Reform													
A. Repeal of Alternative Minimum Tax on Corporations [2]	tyba 12/31/17	-6.8	-6.9	-6.6	-6.8	-7	-1.3	-1.3	-1.3	-1.2	-1.1	-34.0	-40.3
B. 21 Percent Corporate Tax Rate	tyba 12/31/17 tyba 12/31/17	-101.3	-125.3	-130.5	-131.1	-132.6	-136.2	-140.7	-144.7	-149.7	-156.3	-620.8	-1,348.5
C. Small Business Reforms	ty 64 12/31/17	101.5	123.3	130.5	131.1	132.0	130.2	140.7	144.7	147.7	130.3	020.0	1,540.5
Increase section 179 expensing to \$1 million with a													
phaseout range beginning at \$2.5 million and expand													
definition of qualified property	ppisi tyba 12/31/17	-4.7	-7.4	-4.1	-2.6	-2.0	-1.5	-1.0	-0.9	-0.9	-0.9	-20.8	-25.9
2. Simplified accounting for small business	[12]	-7.6	-7.5	-3.3	-2.1	-1.7	-1.5	-1.6	-1.7	-1.7	-1.8	-22.1	-30.5
D. Cost Recovery, etc.													
1. Extension, expansion, and phase down of bonus	paa 9/27/17 apisasd												
depreciation (sunset 12/31/26) [13]	& sppoga 9/27/17	-32.5	-36.5	-24.6	-14.2	-11.6	-4.9	3.3	8.4	12.5	13.7	-119.4	-86.3
2. Limit net interest deductions to 30 percent of adjusted													
taxable income, carryforward of denied deduction	tyba 12/31/17	8.4	17.7	19.7	19.6	24.9	30.2	29.6	31.8	34.7	36.9	90.2	253.4
3. Modify treatment of S corporation conversions into C													
corporations	DOE	-0.5	-0.5	-0.6	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-2.8	-6.1
4. Modifications to depreciation limitations on luxury													
automobiles and personal use property	ppisa 12/31/17						ate Include	ed in Item	II.D.1				
5. Modifications of treatment of certain farm property	ppisa 12/31/17	[3]	[3]	[3]	-0.1	-0.2	-0.3	-0.2	-0.1	[3]	[3]	-0.4	-1.1
6. Modification of net operating loss deduction	lai tyba 12/31/17	6.4	10.0	11.1	15.9	25.2	34.1	36.0	30.2	20.8	11.4	68.5	201.1
7. Repeal like-kind exchanges except for real property		0.5	0.9	1.3	1.7	2.2	2.9	3.8	4.7	5.8	7.2	6.6	31.0
8. Applicable recovery period for real property	ppisa 12/31/17	-0.1	-0.1	-0.3	-0.4	-0.5	-0.7	-0.6	-0.7	-0.9	-0.6	-1.4	-4.9
9. Amortization of research and experimental expenditures	apoii tyba 12/31/21					24.2	32.9	26.0	18.9	11.4	6.3	24.2	119.7
10. Expensing of certain costs of replacing citrus plants													
lost by reason of a casualty (sunset 12/22/27)	apoia DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
E. Business-Related Deductions													
1. Repeal of deduction for income attributable to domestic													
production activities	tyba 12/31/17	4.3	8.9	9.3	9.6	9.9	10.3	10.7	11.1	11.6	12.2	42.1	98.0
2. Limitation on deduction by employers of expenses for													
fringe benefits:	: 10/01/17 0												
a. Meals and entertainment expenses, including	apoia 12/31/17 &	1.6	2.2	2.2	2.2	2.2	2.4	2.4	2.5	2.0	2.0	10.6	22.6
meals for the convenience of the employer [14]	apoia 12/31/25	1.6	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.8	2.8	10.6	23.5
<ul> <li>Repeal deduction for qualified transportation fringes, including commuting except as necessary for</li> </ul>													
	anoia 12/21/17	1.2	1.6	1.7	1.7	1.0	1.8	1.0	1.9	2.0	2.0	8.1	17.3
employee's safety [15]	apoia 12/31/17	1.2	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	8.1	1/
employee achievement award	apoia 12/31/17	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	r5 <sup>-</sup>
3. Eliminate deduction for member of Congress living	apoia 12/31/17	ری	[3]	[3]	[3]	[3]	[3]	[5]	[5]	[5]	[3]	[5]	[5]
expenses	tyba DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
4. UBTI increased by amount of certain fringe benefit	tyba DOL	[2]	[2]	[2]	[2]	[2]	[5]	[5]	[5]	[5]	[5]	[5]	LJ.
expenses for which deduction is disallowed	apoia 12/31/17 -					- Estimat	e Included	l in Items I	UE2h				
5. Repeal of rollover of publicly traded securities gain	ироги 12/31/17					Battimett	e memaea	in remis r	1.15.2.0.				
into specialized small business investment companies	sa 12/31/17	0.1	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	1.1	1.7
6. Certain self-created property not treated as a capital asset		[3]	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5
F. Accounting Methods		£- J											
1. Certain special rules for taxable year of inclusion (in													
general)	tyba 12/31/17	1.2	1.7	1.7	1.7	0.7	0.2	0.2	0.2	0.2	0.2	7.0	8.
2. Certain special rules for taxable year of inclusion	•												
(related to original issue discount and other similar													
items)	[16]		0.3	0.7	0.7	0.7	0.7	0.7	0.4	0.2	0.2	2.4	4.5
G. Business Credits													
1. Modification of credit for clinical testing expenses for													
certain drugs for rare diseases or conditions	apoii tyba 12/31/17	0.7	1.7	2.1	2.5	3.0	3.5	4.0	4.5	5.0	5.5	10.0	32.
2. Modify rehabilitation credit to provide 20 percent													
historic credit ratably over 5 years, repeal credit for													
pre-1936 property	[17]	[5]	0.3	0.6	0.6	0.5	0.3	0.2	0.2	0.2	0.2	2.0	3.1
3. Provide a tax credit to certain employers who													
provide family and medical leave (sunset 12/31/19)	tyba 12/31/17	-0.7	-1.5	-1.1	-0.5	-0.3	-0.2					-4.1	-4.3
H. Banks and Financial Instruments													
1. Limitation on deduction for FDIC premiums	•	0.5	1.5	1.5	1.5	1.5	1.6	1.6	1.6	1.7	1.7	6.5	14.8
2. Repeal of advance refunding bonds		0.4	1.1	1.4	1.7	2.0	2.1	2.1	2.2	2.2	2.2	6.6	17.4
3. Repeal of tax credit bonds [2]	bia 12/31/17	[5]	[5]	[5]	[5]	[5]	0.1	0.1	0.1	0.1	0.1	0.1	0.5
I. Compensation													
1. Modification of limitation on excessive employee	tribo 10/01/17	ren	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1 1	4 1	0.2
remuneration, with transition rule [18]	tyba 12/31/17	[5]	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	4.1	9.2

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
2. 21-percent excise tax on excess tax-exempt organization													
executive compensation (certain exceptions provided to													
non-highly compensated employees, and for certain medical													
services)	tyba 12/31/17	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.9	1.8
3. Treatment of qualified equity grants	[19]	-0.2	-0.2	-0.2	-0.2	-0.1	[3]	[3]	[3]	[3]	-0.1	-1.0	-1.2
4. Increase the excise tax on stock compensation in an													
inversion from 15 percent to 20 percent	DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	0.1
J. Insurance													
1. Net operating losses of life insurance companies	lai tyba 12/31/17					Estimo	ate Includ	ed in Item	II.D.6				
2. Repeal of small life insurance company deduction	tyba 12/31/17	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	0.1	0.2
3. Adjustment for change in computing reserves	tyba 12/31/17	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.5	1.2
4. Repeal of special rule for distributions to shareholders													
from pre-1984 policyholders surplus account	tyba 12/31/17	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
5. Modification of proration rules for property and													
casualty insurance companies	tyba 12/31/17	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	1.0	2.1
6. Repeal of special estimated tax payments	tyba 12/31/17	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
7. Computation of life insurance reserves	tyba 12/31/17	0.9	1.7	1.7	1.7	1.8	1.8	1.8	1.9	1.2	0.6	7.9	15.2
8. Modification of rules for life insurance proration	tyba 12/31/17	[5]	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.6
9. Capitalization of certain policy acquisition													
expenses	tyba 12/31/17	0.1	0.4	0.6	0.7	0.7	0.8	0.9	0.9	1.0	1.1	2.5	7.2
10. Tax reporting for life settlement transactionsge	enerally tyba 12/31/17	[3]	[3]	[5]	[5]	[5]	[5]	[5]	[5]	0.1	0.1	[5]	0.2
11. Clarification of tax basis of life insurance contracts ge	enerally teia 8/25/09					Estimo	ate Include	ed in Item .	II.J.8				
12. Exception to transfer for valuable consideration rules	ta 12/31/17					Estimo	ate Include	ed in Item .	II.J.8				
13. Modification of property and casualty insurance company													
discounting rules	tyba 12/31/17	0.3	1.8	1.8	1.8	1.8	1.8	1.7	1.4	0.6	0.3	7.5	13.2
K. Partnerships													
1. Tax gain on the sale of a partnership interest on look-thru s	eado/a 11/27/17 &												
basis	seada 12/31/17	[5]	0.2	0.3	0.3	0.4	0.5	0.5	0.5	0.5	0.6	1.2	3.8
2. Expand the definition of substantial built-in loss for													
purposes of partnership loss transfers	topia 12/31/17	[3]	[3]	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.5
3. Charitable contributions and foreign taxes taken into													
account in determining limitation on allowance of													
partner's share of loss	tyba 12/31/17	[5]	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.5	1.2
4. Repeal of technical termination of partnerships	ptyba 12/31/17	0.1	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.7	1.6
L. Tax-Exempt Organizations													
Excise tax based on investment income of private													
colleges and universities with endowment per student													
of at least \$500,000	tyba 12/31/17	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.9	1.8
2. Unrelated business taxable income separately computed	generally												
for each trade or business activity	tyba 12/31/17	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	1.6	3.5
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Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
3. Charitable deduction not allowed for amounts paid in	: 4-1 10/21/17	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.9	2.0
exchange for college athletic event seating rights	cmi tyba 12/31/17	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.9	2.0
4. Repeal substantiation exception for charitable	om: trub o 12/21/16					Μ.	-1: -: l-1 - D	E.C.					
contributions reported by donee organization	cmi tyba 12/31/16					IVE	gugibie Ke	ечепие Еде	ect				
Modify tax treatment of Alaska Native Corporations and													
Settlement Trusts	[20]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-0.1
Expansion of qualifying beneficiaries of an electing small	[20]	[3]	[5]	ری	[3]	ری	ری	[3]	[3]	[3]	[3]	ری	-0.1
business trust, and modify charitable contribution	1/1/18 feoqb &												
deduction for electing small business trusts	tyba 12/31/17 fc	[2]	[3]	[2]	[3]	[3]	[2]	[3]	[3]	[2]	F21	-0.1	-0.3
Craft beverage modernization and tax reform	generally	[3]	[5]	[3]	[3]	ری	[3]	[3]	[3]	[3]	[3]	-0.1	-0.3
(sunset 12/31/19)	1/1/18	-1.6	-1.5	-1.1								-4.2	-4.2
Exempt amounts paid for aircraft management services	1/1/10	-1.0	-1.3	-1.1								-4.2	-4.2
from the excise taxes imposed on transportation by air	apa DOE	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[2]	[3]	F21	[3]	[2]
5. Create qualified opportunity zones	DOE	-1.2	-1.7	-1.6	-1.7	-1.6	-1.5	-1.5	[3] -1.6	8.1	[3] 2.7	-7.7	[3] -1.6
Create quarried opportunity zones      Deny deduction for settlements subject to a nondisclosure	DOE	-1.2	-1.7	-1.0	-1./	-1.0	-1.5	-1.5	-1.0	0.1	2.1	-7.7	-1.0
agreement paid in connection with sexual harassment	apoia DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
7. Expand provision relating to the non-deductibility	apola DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]
of fines and penalties	apoio/a DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	0.1	0.1
8. Repeal of deduction for local lobbying expenses	apoio/a DOE	[5] [5]	0.1	[5] 0.1	0.1	[5] 0.1	[5] 0.1	[5] 0.1	[5] 0.1	[5] 0.1	0.1	0.1	0.1
9. Revision of treatment of contributions to capital	[21]	0.1	0.1	0.1	0.1	1.0	1.0	0.1	0.1	0.1	0.1	2.5	6.5
Revision of treatment of contributions to capital      Recharacterization of certain gains on property held for	[21]	0.1	0.2	0.4	0.7	1.0	1.0	0.9	0.8	0.7	0.0	2.3	0.5
fewer than 3 years in the case of partnership profits													
interest held in connection with performance of investment													
services	tyba 12/31/17	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7	1.1
services	tyba 12/31/17	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7	1.1
Total of Business Tax Reform	•••••	-129.3	-133.8	-112.9	-92.5	-50.4	-16.4	-15.9	-24.1	-28.4	-49.4	-518.2	-653.8
III. International Tax Reform													
A. Establishment of Participation Exemption System for													
Taxation of Foreign Income													
1. Deduction for dividends received by domestic													
corporations from certain foreign corporations	[22]	-17.8	-28.1	-20.1	-20.3	-20.8	-21.0	-22.1	-23.2	-24.3	-25.8	-107.2	-223.6
2. Special rules relating to sales or transfers involving	da 12/31/17 &												
certain foreign corporations	Ta 12/31/17	0.1	0.2	0.5	0.8	1.2	1.4	1.7	1.6	1.8	2.4	2.9	11.8
3. Treatment of deferred foreign income upon transition													
to participation exemption system of taxation and													
mandatory inclusion at two-tier rate (8-percent rate													
for illiquid assets, 15.5-percent rate for liquid assets)	[23]	78.6	49.6	16.5	15.6	15.7	27.2	47.5	64.4	33.0	-9.4	176.0	338.8

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
B. Rules Related to Passive and Mobile Income													
1. Current year inclusion of global intangible low-taxed	tyba 12/31/17												
income, with deduction, by United States shareholders	[24]	7.7	12.5	9.6	9.5	9.3	9.0	9.2	9.3	15.1	21.2	48.6	112.4
2. Deduction for foreign-derived intangible income derived													
from trade or business within the United States	tyba 12/31/17	-0.2	4.8	6.9	6.6	0.2	-11.4	-15.7	-20.2	-18.4	-16.3	18.2	-63.8
C. Other Modifications of Subpart F Provisions													
1. Elimination of inclusion of foreign base company													
oil related income	[24]	-0.1	-0.3	-0.3	-0.3	-0.4	-0.4	-0.4	-0.5	-0.5	-0.7	-1.4	-4.0
2. Repeal of inclusion based on withdrawal of previously													
excluded subpart F income from qualified investment	[24]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]
3. Modification of stock attribution rules for determining													
status as a controlled foreign corporation	[25]					Estima	ite Include	d in Item	III.A.1				
4. Modification of definition of United States shareholder	[24]	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.7	1.3
5. Elimination of requirement that corporation must be													
controlled for 30 days before subpart F inclusions apply	[24]	[5]	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.6
D. Prevention of Base Erosion													
1. Limitation on income shifting through intangible													
property transfers	ti tyba 12/31/17	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.5	1.3
Certain related party amounts paid or accrued in	•												
hybrid transactions or with hybrid entities	tyba 12/31/17					Estima	ite Include	d in Item	III.A.1				
3. Dividends received from post-enactment surrogate foreign	•												
corporations not qualified dividend income	dra DOE	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	[5]	0.1
E. Modifications Related to Foreign Tax Credit System													
1. Repeal of section 902 indirect foreign tax credits;													
determination of section 960 credit on current year													
basis	[24]					Estima	ite Include	d in Item	III.A.1				
2. Separate foreign tax credit limitation basket for													
foreign branch income	tyba 12/31/17					Estima	ite Include	d in Item	III.B.1				
3. Source of income from sales of inventory determined	•												
solely on basis of production activities	tyba 12/31/17	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.5
4. Increase maximum overall domestic loss recapture to	Š												
100 percent for pre-2018 losses	tyba 12/31/17	-0.6	-1.1	-1.0	-0.6	0.1	0.4	0.1	0.1	0.1	0.1	-3.2	-2.3
F. Inbound Provisions	•												
Base erosion and anti-abuse tax	apoaa 12/31/17	0.8	4.3	13.3	16.1	17.1	16.8	15.9	16.5	21.6	27.0	51.7	149.6
G. Other Provisions	•												
1. Restriction on insurance business exception to passive													
foreign investment company rules	tyba 12/31/17												

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
Repeal of fair market value method of interest expense apportionment	tyba 12/31/17	[5]	0.1	0.1	0.1	[5]	[5]	[5]	[5]	[5]	[5]	0.3	0.6
Total of International Tax Reform	••••••	68.9	42.6	26.0	28.0	22.9	22.5	36.7	48.7	29.1	-0.8	188.2	324.4
NET TOTAL		-135.7	-280.0	-258.8	-220.8	-178.3	-137.9	-120.1	-114.6	-40.6	32.9	-1,074.0	-1,456.0

Joint Committee on Taxation

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NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be December 22, 2017.

Legend for "Effective" column:

apa = amounts paid after

apisasd = and placed in service after such date

apoaa = amounts paid or accrued after

apoia = amounts paid or incurred after

apoii = amounts paid or incurred in

apoio/a = amounts paid or incurred on or after

ar = advance refunding

bia = bonds issued after

cmi = contributions made in

da = distributions after

Da = dispositions after

2 dispositions diter

dda = decedents dying after

DOE = date of enactment

doia = discharges of indebtedness after

dosaeia = divorce or separation agreements entered into after

eca = exchanges completed after

fc = for charitable

feoqb = for expansion of qualifying beneficiaries

gma = gifts made after

lai = losses accrued in

mba = months beginning after

paa = property acquired after

ppisa = property placed in service after

ptyba = partnership taxable years beginning after

sa = sales after

 $seada = sales \ exchanges \ and \ dispositions$ 

after

 $seado/a = sales, \, exchanges \, \, and \, \, dispositions$ 

on or after

spo/a = service provided on or after

sppoga = specified plants planted or

grafted after

ta = transactions after

Ta = transfers after

teia = transactions entered into after

ti = transfers in

topia = transfers of partnership interests after

tyba = taxable years beginning after

### Footnotes for Table #17-2 128 R3:

[1] The parameters for the beginning of the 24%, 32%, 35%, and 37% rate brackets, and the		deduction	amount us	se 2018 as	the base y	ear. Other	indexed p	arameters	are adjust	ed for inf	lation	
from their 2017 values using the chained CPI-U as the inflation measure to determine 20												
[2] Estimate includes the following outlay effects:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2018-22</u>	<u>2018-27</u>
10%, 12%, 22%, 24%, 32%, 35%, and 37% income tax rate brackets		1.0	1.1	1.2	1.2	1.2	1.2	1.2	1.3		4.4	9.3
Modify standard deduction		9.4	9.7	10.1	10.3	10.5	10.6	10.7	10.9		39.6	82.3
Repeal of deduction for personal exemptions	-10.8	-16.0	-16.4	-16.7	-17.0	-17.3	-17.5	-17.8	-5.4		-77.0	-134.9
Alternative inflation measure		-0.3	-0.6	-1.3	-1.6	-2.1	-2.5	-3.1	-3.6	-4.1	-3.9	-19.3
Modification of child tax credit		21.8	22.1	22.0	22.0	23.1	23.1	23.1	24.1		87.9	181.3
Require valid Social Security number of each child to claim refundable and												
non-refundable portions of child credit, non-child dependents and any child												
without a valid Social Security number still receives \$500 non-refundable												
credit		-3.0	-2.9	-2.8	-2.7	-2.7	-2.7	-2.6	-2.6	-0.5	-11.4	-22.4
Repeal of itemized deductions for taxes not paid or accrued in a trade or												
business (except for up to \$10,000 in State and local taxes), interest on mortgage												
debt in excess of \$750K, interest on home equity debt, non-disaster casualty												
losses and certain miscellaneous expenses		-0.3	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2		-0.8	-1.7
Reduce ACA individual shared responsibility payment amount to zero		-5.8	-12.7	-28.2	-35.2	-38.4	-40.7	-43.0	-45.3	-48.0	-81.9	-297.3
Repeal of alternative minimum tax on corporations	2.2	2.3	1.7	1.9	1.9						10.2	10.2
Repeal of tax credit bonds	[26]	[26]	[26]	[26]	[26]	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
[3] Loss of less than \$50 million.	. ,	. ,	. ,	. ,	. ,							
[4] Estimate includes the following budget effects:	2018	2019	2020	2021	2022	2023	<u>2024</u>	2025	2026	2027	2018-22	2018-27
Total Revenue Effect (SECA interaction)	-1.4	-1.9	-1.7	-1.5	-1.1	1.5	2.5	1.7	1.2	0.8	-7.7	[3]
On-budget effects	-0.3	-0.4	-0.4	-0.3	-0.2	0.3	0.5	0.4	0.2	0.2	-1.6	[3]
Off-budget effects	-1.1	-1.5	-1.4	-1.2	-0.9	1.2	2.0	1.3	0.9	0.6	-6.1	[3]
[5] Gain of less than \$50 million.												[-]
[6] Estimate includes the following budget effects:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
Total Revenue Effect	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.7	0.2	<u>===</u>	2.7	4.8
On-budget effects	0.3	0.4	0.4	0.4	0.5	0.5	0.5	0.6	0.1		2.1	3.8
Off-budget effects	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1			0.6	1.0
[7] Estimate includes policy that retains exclusion under section 217(g) (related to members				0.1	0.1	0.1	0.1	0.1			0.0	1.0
[8] Estimate includes the following budget effects:	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
Total Revenue Effect	[3]	[3]	[3]	[3]	[3]	[3]	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
On-budget effects	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-0.1	-0.1	[1]	-0.3
Off-budget effects	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	-0.1	[3]	-0.3
On-budget effects.	[2]	[2]	[-]			[2]	[2]	[2]		-0.1	[3]	-0.2

[9] Estimate provided by the Joint Committee on Taxation staff in collaboration with the Congressional Budget Office.

#### Footnotes for Table #17-2 128 R3 continued:

[10] Estimate includes the following budget effects:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	2022	2023	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	2018-22	2018-27
Total Revenue Effect		6.0	9.7	28.4	37.0	40.7	43.5	46.1	49.6	53.3	80.8	314.1
On-budget effects		5.9	9.0	26.5	34.8	38.3	40.8	43.3	46.7	50.5	76.1	295.6
Off-budget effects		0.1	0.8	1.9	2.3	2.4	2.7	2.9	2.9	2.8	4.9	18.7

- [11] Effective with respect to: (1) levies made after the date of enactment; and (2) levies made on or before the date of enactment provided that the nine-month period has not expired as of the date of enactment.
- [12] The expansion of the threshold allowing the use of the cash method, the creation of an exemption from the requirement to use inventories, and the expansion of the exception from the uniform capitalization rules are effective for taxable years beginning after December 31, 2017. The expansion of the exception from the requirement to use the percentage of completion method is effective for contracts entered into after December 31, 2017, in taxable years ending after such date. The threshold applicable to each provision is indexed for inflation for taxable years beginning after December 31, 2018.
- [13] The percentage is phased down from 100 percent by 20 percent per calendar year beginning in 2023 (2024 for certain longer production period property and certain aircraft).

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[14] Estimate includes the following budget effects:	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	2023	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	2018-22	<u>2018-27</u>
Total Revenue Effect	1.6	2.2	2.2	2.3	2.3	2.4	2.4	2.5	2.8	2.8	10.6	23.5
On-budget effects	1.3	1.8	1.9	1.9	1.9	2.0	2.0	2.1	2.3	2.4	8.8	19.7
Off-budget effects	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	1.8	3.9
[15] Estimate includes the following budget effects:	<u>2018</u>	<u>2019</u>	<u>2020</u>	2021	<u>2022</u>	2023	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	2018-22	<u>2018-27</u>
Total Revenue Effect	1.2	1.6	1.7	1.7	1.8	1.8	1.9	1.9	2.0	2.0	8.1	17.7
On-budget effects	1.0	1.3	1.4	1.4	1.4	1.5	1.5	1.5	1.6	1.6	6.5	14.2
Off-budget effects	0.2	0.3	0.3	0.3	0.4	0.4	0.4	0.4	0.4	0.4	1.6	3.5

- [16] Generally effective for taxable years beginning after December 31, 2017. Effective for taxable years beginning after December 31, 2018 for income from a debt instrument having original issue discount.
- [17] Generally effective for amounts paid or incurred after December 31, 2017, with a transition rule providing that for buildings owned or leased at all times after December 31, 2017, the 24-month or 60-month period for making qualified rehabilitation expenditures begins no later than 180 days after the date of enactment, and the repeal is effective for such expenditures paid or incurred after the end of the taxable year in which such 24-month or 60-month period ends.
- [18] Transition rule for any remuneration under a written binding contract which was in effect on November 2, 2017, and which was not modified thereafter in any material respect.
- [19] Effective for options exercised or restricted stock units settled after December 31, 2017. The penalty for failure to provide a notice is effective for failures after December 31, 2017.
- [20] Generally, taxable years beginning after December 31, 2016. The deduction for contributions to a Settlement Trust is effective for taxable years for which the Native Corporation's refund statute of limitations period has not expired, with a one-year waiver of the refund statute of limitations period in the event that the period expires before the end of the one-year period beginning on the date of enactment.
- [21] Effective for contributions made after date of enactment, except that the provision does not apply to contributions pursuant to plans approved prior to date of enactment.
- [22] Effective for distributions made (and for purposes of determining a taxpayer's foreign tax credit limitation under section 904, deductions in taxable years ending) after December 31, 2017.
- [23] Effective for the last taxable year beginning before January 1, 2018, of a foreign corporation and with respect to U.S. shareholders for the taxable years in which or with which such taxable year of the foreign corporation ends.
- [24] Effective for taxable years of foreign corporations beginning after December 31, 2017, and for taxable years of U.S. shareholders in which or with which such taxable years of foreign corporations end.
- [25] Effective for the last taxable year beginning before January 1, 2018, of a foreign corporation and all subsequent years, and with respect to U.S. shareholders for the taxable years in which or with which such taxable year of the foreign corporation ends.
- [26] Decrease in outlays of less than \$50 million.