

Topic	House Bill (H.R.1) as passed by the House 11/13/17	Senate Bill (H.R.1) as passed by Senate 12/2/17	Notes – most provisions 1/1/18-12/31/24 or 25
Education Incentives	<p>Retain American Opportunity Tax Credit (AOTC) but allow for a 5th year at 50% of the current credit amount.</p> <p>Eliminate the Lifetime Learning Credit and Hope Scholarship Credit.</p>	No change to current education credits.	Different provisions
Education Incentives (Cont'd)	<p>Eliminate Coverdell savings accounts but allow rollovers into 529 plans.</p> <p>Allow elementary and high school expenses up to \$10,000, as well as registered apprenticeship programs to be paid with 529 funds.</p> <p>Unborn children may be designated beneficiaries (in utero).</p> <p>Discharge of student loans on account of death or disability shall be excludable from income.</p>	<p>No provision regarding Coverdell.</p> <p>No provision regarding these expenses.</p> <p>Provisions expanding 529A (ABLE) plans.</p> <p>Unborn children may be designated beneficiaries (in utero).</p> <p>Discharge of student loans on account of death or disability shall be excludable from income.</p>	Differences in many provisions
Overall limitation on Itemized deductions	Effective for years after 12/31/17 the reduction in itemized deductions based on adjusted gross income will be repealed.	Similar provision as House	Similar provision
Medical Deductions	Repeal medical deduction after 12/31/17	Allow medical deduction and provide reduced AGI limit of 7.5% for 2017/2018	Different provisions
Mortgage Interest Deductions	For mortgages incurred after 11/2/17, effective after 12/31/17, the interest deduction would be limited to \$500,000 for a primary residence only. Second residence debt and home equity debt would no longer	Would only eliminate home equity debt from what is considered deductible and retain the \$1 million limitation.	Differences in provision amount. But both eliminate home equity debt.

TAX CUT AND JOBS ACT OF 2017 – PROPOSALS

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	be deductible. Debt incurred on or before 11/2/17 would be grandfathered for primary residence debt at the \$1 million limit.		
State and local taxes	Effective for tax years after 12/31/17 state income taxes would no longer be deductible. Total of \$10,000 for real property tax would be deductible	Elimination of all state and local taxes for tax years after 12/31/17. Total of \$10,000 for real property tax would be deductible	Both eliminate state and local income and sales tax and both retain real estate tax.
Repeal of certain deductions	For tax years after 12/31/17: Casualty and theft losses. Medical Expense deduction. Tax preparation fees. Alimony. Moving expenses. Unreimbursed employee expenses. \$250 teacher deduction.	Limit casualty losses to Presidentially declared disaster areas. Increase deduction for teachers from \$250 to \$500. No itemized deductions subject to 2% limit would be allowed (tax prep, unreim EE exp). Allow moving expense deduction for Armed Forces only.	Different provisions.
Roth IRAs	Disallows recharacterizations from Roth to regular IRAs effective for tax years after 12/31/17.	No provision.	Different provisions
Sale of principal residence	Allow gain exclusion up to \$500,000 (MFJ) but increase use as main home rule from 2 out of 5 to 5 out of 8 years for sales after 12/31/17. Allows only 1 sale every 5 years. Phaseout applies above exclusion amount.	Similar rule to House but without the phaseout.	Similar provisions
Estate Tax and GST	For 2018-2024, increase exclusion from \$5M to \$10M (adjusted for inflation). After 2024, no estate tax or GST would apply but beneficiaries would receive full step up in basis.	For 2018-2025, increase exclusion from \$5M to \$10M (adjusted for inflation). After 2025, estate tax and GST would still apply and exclusion amount would be reduced to the \$5M amount.	Eventual elimination vs temporary increase in exclusion



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Gift Tax	Exclusion would increase to \$10M (adjusted for inflation) and would not end after 2024.	Similar provision to Estate Tax and GST.	Both retain gift tax
Individual Mandate	No provision	Eliminate \$695 or 2.5% penalty	Different provisions