

TAX CUT AND JOBS ACT OF 2017 – PROPOSALS

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
Self-Created Property	Treat the sale of such property as ordinary income vs capital gain. Includes patents purchased.	No provision	Different provisions
Technical Terminations of Partnerships	Would eliminate Section 708 technical terminations disallowing a partnership from making new elections.	No provision	Different provisions
AMT	Eliminate the corporate AMT	Retain the corporate AMT	Different provisions
R&D Credit	House has stated they would like to retain this credit but no provisions make any significant changes to the credit	Would require amortizing R&D expenditures over 5 years (10 for foreign research).	Similar provisions
Unused Business Credits	Repeal the deduction for unused business credits	Similar to House	Similar provisions
International	100% dividends received deduction for foreign source portion allowed by US 10% shareholders of foreign corporations. Current E&P held by such foreign corporations will be “deemed repatriated” and subject to a one-time 14% tax to the extent held in cash or cash equivalents or a 7% tax for other illiquid assets. Such liability may be paid pro-rata over an 8-year period.	100% dividends received deduction for foreign source portion allowed by US 10% shareholders of foreign corporations. Current E&P held by such foreign corporations will be “deemed repatriated” and subject to a one-time 14% tax to the extent held in cash or cash equivalents or a 7% tax for other illiquid assets. Such liability may be paid pro-rata over an 8-year period.	Similar provisions
Non-qualified Deferred Compensation	Would be taxable as soon as there is no substantial risk of forfeiture.	Similar provision as the House with some additional restrictions.	Similar provisions