

CORPORATE AND INDIVIDUAL RATES WOULD BE REDUCED

Rule	Current law	House bill	Senate bill
Corporation top rate	35 percent	20 percent flat rate beginning in 2018	20 percent flat rate beginning in 2019
Passthroughs	39.6 percent top rate	25 percent flat rate on a portion of income for certain types of passthroughs	23 percent deduction for income of certain types of passthroughs. Expires after 2025
Individual brackets and rates	7 brackets; 39.6 percent top rate	4 brackets: 12, 25, 35, and 39.6 percent. No expiration	7 brackets: 10, 12, 22, 24, 32, 35, 38.5 percent. Rates expire after 2025
Estate tax	Applies to \$5.49M single, \$10.98M couple	<ul style="list-style-type: none"> • Double the exclusion • Repeal in 2025 	<ul style="list-style-type: none"> • Double the exclusion through 2025 • No repeal
Alternative minimum tax	Separate tax calculation on some returns	Repeal	Retain for corporations; larger exemption and phaseout threshold for individuals until 2026
Carried interest	Capital gains rate on certain investment manager income	Assets would have to be held for three years	Assets would have to be held for three years

INDIVIDUAL DEDUCTIONS & CREDITS COULD CHANGE

Rule	Current law	House bill	Senate bill
Standard deduction	\$6,350 for individuals; \$12,700 for joint filers (2017)	\$12,200 for individuals in 2018; \$24,400 for joint filers*	\$12,000 for individuals; \$24,000 for joint filers*; Expires after 2025
State and local tax deduction	Itemized deduction for taxes paid	Preserve property tax deduction of as much as \$10,000**	Preserve only property tax deduction of as much as \$10,000 until 2026**
Child tax credit	\$1,000 per child	New family credit: \$1,600 per child; \$300 per non-child dependent; \$300 “family flexibility” credit	\$2,000 per child, \$500 for non-child dependents. Expands eligibility by increasing income limit. Expires after 2025
Mortgage interest	Deduct as much as \$1 million in mortgage principal	Retain for existing mortgages; deduct as much as \$500,000 for future home purchases	Retain current law
Charitable giving	Deduct as much as 50 percent of AGI	<ul style="list-style-type: none"> • Deduct as much as 60 percent of AGI • End deduction for college athletic seating 	<ul style="list-style-type: none"> • Deduct as much as 60 percent of AGI through 2025 • End deduction for college athletic seating

*Would consolidate standard deduction and personal exemption **Current deduction would be retained for corporations and passsthroughs
 NOTE: AGI – adjusted gross income
 Source: [BGOV Bill Page for H.R. 1](#)

THE FATE OF OTHER INDIVIDUAL TAX PROVISIONS

Rule	House bill	Senate bill
Individual health insurance mandate penalties	Retain	Repeal in 2019
Adoption credit	Retain	Retain
Personal casualty loss deduction	Eliminate, aside from specific recent disasters	Allow only for presidentially declared disasters through 2025
Medical expense deduction	Eliminate	Retain and reduce threshold to 7.5 percent of AGI
Child and dependent care	Retain	Retain
Electric vehicle credit	Eliminate	Retain
Tax preparation expense deduction	Eliminate	Suspend through 2025
Alimony deduction	Eliminate	Retain
Moving expense deduction	Retain only for members of the armed forces	Limit to members of the armed forces through 2025
Moving expense exclusion	Eliminate	Suspend through 2025
Home equity indebtedness	Eliminate	Suspend through 2025
Exclusion of employer-paid bicycle expenses	Retain	Suspend through 2025

Notes: AGI – Adjusted Gross Income; Source: [BGOV Bill Page for H.R. 1](#)
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BUSINESS PROVISIONS INCLUDE EXPENSING RULES

Rule	Current law	House bill	Senate bill
Expensing	Depreciated over time	Immediate 100 percent expensing after Sept. 27, 2017, and before Jan. 1, 2023	Immediate 100 percent expensing before Jan. 1, 2023; gradual drawdown through 2026
Business interest	Deductible	Limit to 30 percent of adjusted taxable income for most businesses with average gross receipts greater than \$25 million	Limit to 30 percent of adjusted taxable income for most businesses with average gross receipts of \$15 million or more
Repatriation	No special rate	14 percent repatriation rate for cash profits held offshore; 7 percent for non-cash	14.5 percent repatriation rate for cash profits held offshore; 7.5 percent for non-cash
Bonds	Interest on state and local bonds isn't taxable	End exclusion for private activity and advance refunding bonds	End exclusion for advance refunding bonds

THE FATE OF OTHER BUSINESS PROVISIONS



Rule	House bill	Senate bill
Orphan drug credit	Eliminate	Reduce to 27.5 percent of expenses from 50 percent
Low income housing credit	Retain	Modify and retain
Employer-provided child care credit	Eliminate	Retain
Structure rehab credit	Eliminate after 24 months	Modify and retain for historic structures
Work opportunity tax credit	Eliminate	Retain
New markets tax credit	Eliminate	Retain
Disabled access credit	Eliminate	Retain
Domestic production deduction	Eliminate	Retain for corporations until 2019
Entertainment, employee fringe benefits	Eliminate for most expenses; retain for food and beverages	Eliminate for most expenses
Capital contribution exclusion	Eliminate	Retain
Local lobbying expense deduction	Eliminate	Eliminate
Deduction for unused credits	Eliminate	Retain

Source: [BGOV Bill Page for H.R. 1](#)

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