

Tax Cuts and Jobs Act (H.R.)

Changes Made to the Committee-Reported Bill During Floor Consideration

Changes Made by the Perfecting Amendment (Hatch #1618)

(Note: All JCT estimates are relative to the committee-reported version of H.R. 1)

Modifications

- **Increased Pass-Through Deduction (Sec. 11011)**
 - This provision increased the deduction for qualified business income on individual returns from 17.4 percent to 23 percent of such income.
 - JCT Estimate: This change would reduce revenues by an additional \$114 billion over ten years.
- **Extended Bonus Depreciation (Sec. 13204)**
 - This provision extends the bill's five-year 100 percent expensing period for an additional four years, decreasing gradually over that time.
 - JCT Estimate: This change would decrease revenues by \$35 billion over ten years.
- **Restoration of IC-DISC (Sec. 14224)**
 - This provision preserves current law tax treatment for Interest Charge Domestic International Sales Corporations.
 - JCT Estimate: This change would reduce revenues by \$5.3 billion over ten years
- **Treatment of non-profit and clergy pension plans (Sec. 13611)**
 - This provision maintains current law pension contribution limits for employees of non-profits and governmental entities.
 - JCT Estimate: This change would reduce revenues by \$1.7 billion over ten years.
- **Increased AMT exemption and phase-out (Sec. 12002)**
 - This provision maintains the individual AMT, with increased exemption amounts and phase-out thresholds.
 - JCT Estimate: This provision would increase revenues by \$132.9 billion over ten years.
- **Increased Toll On Repatriated Corporate Earnings (Sec. 14103)**
 - This provision increases the toll on earnings deemed repatriated under the bill to 14.49 percent for liquid assets and 7.49 percent for illiquid assets.
 - JCT Estimate: This change would increase revenues by \$113B over 10 years.

- **Corporate AMT Reinstated (Sec. 12001)**
 - This provision strikes the repeal of the corporate alternative minimum tax, maintaining current law
 - JCT Estimate: This change would increase revenues by \$40.3 billion over 10 years.
- **Child Tax Credit Eligibility Adjustment (Sec. 11022)**
 - This provision decreased the age of a child qualifying for the expanded credit from 17 to 16 (same as current law), for 2025.
 - JCT Estimate: This change would increase revenues by \$4.6 billion over 10 years.

Provisions Removed for Byrd Rule Compliance

- **Sec. 11028** – 529 savings accounts for unborn children
- **Sec. 11029** – Relief for Mississippi Delta Flood Disaster
- **Sec. 11072** – Individuals held harmless on improper levy on retirement plans
- **Sec. 11074** – Form 1040SR for Seniors
- **Sec. 11075** – Sense of the Senate on improving customer service and protections for taxpayers by reinstating appropriate funding levels
- **Sec. 11076** – Return preparation programs for low-income taxpayers
- **Sec. 11077** -- Free File Program
- **Sec. 13011** – Dividends paid deduction
- **Sec. 13303(b)(5)** -- Special rules for certain mutual ditch companies
- **Sec. 13401(b)** – Public disclosure regarding orphan drug credit
- **Secs. 13411-13416** – Revisions to the Low-Income Housing Tax Credit.
- **Sec. 13704** – Repeal of tax-exempt status professional sports leagues.
- **Sec. 13705** – Modification of taxes on excess benefit transactions.
- **Sec. 13706** -- Exemption from private foundation excess business holding tax for independently operated philanthropic business holdings
- **Sec. 13801** – Craft Beverage Modernization and Tax Reform – Rule of construction
- **Sec. 13804** – Craft Beverage Modernization and Tax Reform – Simplification of rules regarding records, statements and returns
- **Sec. 14505** – Repeal of exclusion applicable to certain passenger aircraft operated by a foreign corporation.

Amendments Filed and Accepted

- **Ernst #1588**
 - Eliminates deduction for members of Congress's living expenses
 - JCT Estimate: Increases revenue by less than \$50 million
- **Graham #1595**
 - Strikes bill's provision on the treatment of contingency fee cases
 - JCT Estimate: Reduces revenue by \$500 million
- **Collins #1613**
 - Repeals Obamacare limit on the deductibility of medical expenses, allowing deduction if medical expenses exceed 7.5 percent of AGI
 - JCT Estimate: Reduces revenue by \$4.6 billion
- **Paul #1622 & Hoeven #1673**
 - Makes interest costs for vehicle floor plan financing fully deductible
 - JCT Estimate: Reduces revenue by \$600 million
- **Murkowski #1630**
 - Modifies the bill's provisions regarding tax treatment of Alaska Native Corporations
 - JCT Estimate: Increases revenue by less than \$50 million
- **Roberts #1631**
 - Treat agricultural/horticultural co-ops same as other farming businesses
 - JCT Estimate: Reduces revenue by less than \$50 million
- **Roberts #1632**
 - Modifies the low income housing credit to add preferences for veterans and rural housing
 - JCT Estimate: Reduces revenue by less than \$50 million
- **Sullivan #1678**
 - Strikes the provision of the bill relating to passenger cruise ships
 - JCT Estimate: Reduces revenue by \$700 million
- **Hatch #1684**
 - Prohibit cash or gift cards as employee achievement awards
 - JCT Estimate: Increases revenue by less than \$50 million
- **Thune #1711(modified)**
 - Provides pass-through deduction to certain agricultural and horticultural cooperatives (with modified effective date)
 - JCT Estimate: Reduces revenue by less than \$50 million

- **Cornyn #1715**
 - Allows the deduction for pass-through business income to apply to distributions from publicly-traded partnerships
 - JCT Estimate: Reduces revenue by \$700 million
- **Hatch #1724**
 - Strikes the provision treating name and logo royalties as UBIT
 - JCT Estimate: Reduces revenue by \$2 billion
- **Hatch #1728**
 - Clarifies the effective date for the recovery period for real property
 - JCT Estimate: Reduces revenue by \$400 million
- **Hatch #1729**
 - Clarifies the effective date of repeal of Section 199
 - JCT Estimate: Increases revenue by \$3.7 billion
- **Hatch #1730**
 - Makes a technical change to the partnership provisions for the interest deduction limitation
 - JCT Estimate: No revenue effect
- **Hatch #1731**
 - Clarifies the definition of total equity for the purposes of the bill's worldwide interest limitation rule
 - JCT Estimate: No revenue effect
- **Rounds #1735**
 - Adds an exemption for mortgage service rights from the requirements of the new income inclusion rule
 - JCT Estimate: Reduces revenue by \$3.8 billion
- **Alexander #1738**
 - Raises the required asset/student for the university endowment excise tax from \$250,000/student to \$500,000/student
 - JCT Estimate: Reduces revenue by \$700 million
- **Burr #1745**
 - Clarifies the limit on contributions to ABLE Act accounts
 - JCT Estimate: Reduces revenue by \$400 million
- **Cassidy #1756**
 - Modifies the rules regarding overall domestic losses for purposes of the foreign tax credit
 - JCT Estimate: Reduces revenue by \$1.8 billion

- **Isakson #1764**
 - Provides separate rules regarding the timing of inclusion of income for original issue discount
 - JCT Estimate: Reduces revenue by \$700 million
- **Fischer #1793**
 - Improves employer credit for paid family and medical leave
 - JCT Estimate: Increases revenue by less than \$50 million
- **Cassidy #1794**
 - Provides tax relief to individuals in all areas declared disasters in 2016
 - JCT Estimate: Reduces revenue by \$4.6 billion
- **Hatch #1809**
 - Clarifies the definition of qualified trade or business for the purposes of the bill's pass-through deduction
 - JCT Estimate: Negligible effect
- **Toomey #1816**
 - Provides a phase-in for the indebtedness requirements of the worldwide interest limitation rule
 - JCT Estimate: Reduces revenue by \$400 million
- **Hatch #1819**
 - Clarification on rules relating to foreign-derived, related-party intangible income
 - JCT Estimate: Negligible Effect
- **Hatch #1820**
 - Modifies the treatment of S corporations converting to C corporations
 - JCT Estimate: Reduces revenue by \$6.1 billion
- **Scott #1826**
 - Modifies rules regarding the tax treatment of life insurance companies
 - JCT Estimate: Increases revenue by \$23 billion
- **Scott #1833**
 - Modifies bill's provision on opportunity zones
 - JCT Estimate: No revenue effect
- **Hatch #1836**
 - Modifications to the BEAT for certain financial institutions
 - JCT Estimate: Increases revenue by \$2.4 billion