

JOINT COMMITTEE ON TAXATION
December 1, 2017
JCX-62-17

**ESTIMATED REVENUE EFFECTS OF MODIFICATIONS TO
THE "TAX CUTS AND JOBS ACT,"
AS REPORTED BY THE COMMITTEE ON FINANCE**

Fiscal Years 2018 - 2027

[Billions of Dollars]

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
Total of the "Tax Cuts and Jobs Act," as Reported (JCX-59-17).....		-38.4	-224.5	-246.9	-217.5	-198.6	-167.0	-140.7	-145.1	-64.2	30.6	-926.3	-1,414.2
Modifications													
1. Allow itemized deduction for up to \$10,000 in state and local real property taxes not paid or accrued in a trade or business.....	tyba 12/31/17	-8.9	-15.6	-16.8	-17.7	-18.6	-19.7	-20.6	-21.5	-8.8	---	-77.7	-148.4
2. Reinstate the individual AMT, with increased exemption amounts and phaseout thresholds (present-law AMT after 12/31/25).....	tyba 12/31/17	6.2	15.2	15.1	15.7	16.4	17.0	17.6	18.4	11.3	[1]	68.6	132.9
3. Restore IC-DISC present-law treatment.....	tyba 12/31/18	---	-0.3	-0.5	-0.6	-0.6	-0.6	-0.6	-0.7	-0.7	-0.7	-2.0	-5.3
4. Increase deduction for qualified business income of pass-thru entities to 23%.....	tyba 12/31/17	-7.3	-12.5	-13.3	-13.8	-14.2	-14.8	-15.4	-14.6	-7.1	-1.0	-61.1	-114.0
5. Modify the repatriation toll charges to 7.5% and 14.5% for non-cash and cash amounts.....	[2]	8.7	12.8	14.0	14.1	14.3	14.3	14.1	14.1	7.0	-0.2	64.0	113.3
6. Extension and phase-down of bonus depreciation [3].....	ppisa & spgoga 12/31/22	---	---	---	---	---	-13.6	-19.8	-8.0	0.6	6.8	---	-34.0
7. Reinstate the corporate AMT.....	tyba 12/31/17	15.3	8.3	4.5	4.7	1.3	1.3	1.3	1.3	1.2	1.1	34.0	40.3
8. Strike conformity of contribution limits for employer-sponsored retirement plans.....	tyba 12/31/17	-0.1	-0.1	-0.1	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.7	-1.7
9. Strike section 13517 relating to policy acquisition expenses.....	tyba 12/31/17	-0.4	-1.5	-2.1	-2.2	-2.4	-2.5	-2.7	-2.9	-3.1	-3.2	-8.6	-23.0
a. Computation of life insurance reserves.....	tyba 12/31/17	1.3	2.2	1.6	1.6	1.7	1.7	1.7	1.7	1.1	0.5	8.3	15.2
b. Modification of rules for life insurance proration.....	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	0.6
c. Capitalization of certain policy acquisition expenses.....	tyba 12/31/17	0.2	0.4	0.6	0.6	0.7	0.8	0.9	0.9	1.0	1.1	2.5	7.2
10. Modifications to new section 163(n):													
a. Modify definition of total equity in new section 163(n)...	tyba 12/31/17	----- <i>No Revenue Effect</i> -----											
b. Phase in new section 163(n) (excess indebtedness of the U.S. group exceeds 130% of total indebtedness of worldwide group in 2018, 125% in 2019, 120% in 2020, 115% in 2021, and 110% in 2022 and thereafter).....	tyba 12/31/17	-0.1	-0.1	-0.1	-0.1	---	---	---	---	---	---	-0.4	-0.4
11. Technical change to the partnership provisions for the limitation on the business interest deduction.....	tyba 12/31/17	----- <i>No Revenue Effect</i> -----											

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
12. Exception for floor plan financing from the limitation on the business interest deduction.....	tyba 12/31/17	0.1	[4]	[4]	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.3	-0.6
13. Include agricultural and horticultural cooperatives in the definition of a farming business for purposes of the limitation on the business interest deduction.....	tyba 12/31/17	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
14. Repeal of deduction for income attributable to domestic production activities for non-corporate taxpayers.....	tyba 12/31/17	1.5	2.2	---	---	---	---	---	---	---	---	3.7	3.7
15. Recovery period for real property.....	tyba 12/31/17	[4]	[4]	[4]	[4]	[4]	-0.1	-0.1	-0.1	-0.1	-0.1	-0.2	-0.4
16. Exclusion of specified payments from the base erosion and anti abuse tax and increase in the BEAT tax rate by 1 percentage point for certain financial institutions.....	apoa 12/31/17	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.8	2.4
17. Prohibit cash, gifts cards, and other non-tangible personal property as deductible employee achievement awards.....	apoa 12/31/17	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
18. Provide for the treatment of certain publicly traded partnerships under the 23 percent deduction for qualified business income.....	tyba 12/31/17	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	[4]	[4]	-0.4	-0.7
19. Provide for the treatment of agricultural and horticultural cooperatives under the 23 percent deduction for qualified business income.....	tyba 12/31/17	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	-0.1
20. Clarify treatment of employees under the 23 percent deduction for qualified business income.....	tyba 12/31/17	----- <i>No Revenue Effect</i> -----											
21. Delay the effective date of the AFS conformity rule for OID income by one year, and increase the adjustment period to six years.....	tyba 12/31/17	-0.8	-0.9	-0.2	-0.2	0.1	0.5	0.5	0.3	---	---	-2.0	-0.7
22. Provide an exception from the AFS conformity rule for income from mortgage servicing rights.....	tyba 12/31/17	-0.6	-0.9	-0.7	-0.7	-0.4	-0.1	-0.1	-0.1	-0.1	-0.1	-3.2	-3.8
23. Add veterans preference for low income housing projects, and for 70 percent projects only: basis boost expanded to buildings located in defined rural areas and basis boost changed from 130% to 125%.....	generally bpisa DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
24. Modifications to excise tax based on investment income of private colleges and universities:													
a. Exempt schools that do not participate in Federal financial aid programs.....	tyba 12/31/17	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
b. Increase asset-per-student threshold to \$500,000.....	tyba 12/31/17	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4	-0.7
25. Modification of definition of property considered as for a foreign use for purposes of determining foreign-derived intangible income.....	tyba 12/31/17	----- <i>Negligible Revenue Effect</i> -----											
26. Eliminate deduction for member of Congress living expenses.....	tyba DOE	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
27. Increase maximum overall domestic loss recapture to 100% for pre-2018 losses.....	tyba 12/31/17	-0.9	-1.4	-1	-0.5	0.3	0.7	0.6	0.2	0.1	0.1	-3.5	-1.8

Provision	Effective	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
15. Uniform treatment of expenses in contingency fee cases.....	eacpoi tyba DOE	[4]	-0.1	-0.1	-0.1	-0.1	[4]	[4]	[4]	[4]	[4]	-0.4	-0.5
16. Subsections 13821(b)(3) and (d) of modify tax treatment of Alaska Native Corporations and Settlement Trusts.....	[7]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]	[1]
17. Rule of construction regarding local alcoholic beverage regulations.....	DOE	----- <i>No Revenue Effect</i> -----											
18. Provisions allowing for simplified recordkeeping for brewers.....	cqba 12/31/17	----- <i>Negligible Revenue Effect</i> -----											
19. Like-kind exchange rule for certain mutual ditch, reservoir, or irrigation companies.....	eca 12/31/17	----- <i>Negligible Revenue Effect</i> -----											
20. Taxation of passenger cruise gross income of foreign corporations and nonresident alien individuals.....	tyba 12/31/17	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.4	-0.7
21. Modification of low income housing program.....	generally 12/31/17	----- <i>Negligible Revenue Effect</i> -----											
22. Name and logo royalties treated as unrelated business taxable income.....	tyba 12/31/17	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.2	-0.3	-0.8	-2.0
Total of Provisions Stricken		---	-0.4	-0.4	-0.4	-0.4	-0.3	-0.3	-0.3	-0.3	-0.4	-1.2	-2.9
NET TOTAL		-31.6	-219.7	-246.8	-217.8	-201.2	-183.2	-164.4	-155.9	-59.4	33.9	-917.8	-1,447.8

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is generally assumed to be December 1, 2017.

Legend for "Effective" column:

apoa = amounts paid or accrued after
 apoia = amounts paid or incurred after
 apoi = amounts paid or incurred in
 bpisa = buildings placed in service after
 cqba = calendar quarters beginning in
 DOE = date of enactment

eacpoi = expenses and costs paid or incurred in
 eca = exchanges completed after
 laaitrtia = levied amounts, and interest thereon, returned to individuals after

ppisa = property placed in service after
 pyba = plan years beginning after
 spgoga = specified plants planted or grafted after
 tyba = taxable years beginning after

[1] Gain of less than \$50 million.

[2] Effective for the last taxable year of foreign corporations beginning before January 1, 2018, and all subsequent taxable years of foreign corporations and for the taxable years of a United States shareholder with or within which such taxable years end.

[3] 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).

[4] Loss of less than \$50 million.

[5] Estimate contains the following outlay effects:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2018-22	2018-27
effects:	---	---	---	---	---	---	---	---	-1.3	---	---	-1.3

[6] Applies to the "Mississippi River Delta flood area" defined as the area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act before March 31, 2016, by reason of severe flooding occurring in Louisiana, Texas, and Mississippi during March of 2016, or before September 3, 2016, by reason of severe flooding occurring in Louisiana during August of 2016.

[7] 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 periods in the event that the period expires before the end of the one-year period beginning on the date of enactment.