

Provision	House	Senate	Final Bill
INDIVIDUAL			
Tax brackets	<ul style="list-style-type: none"> • 12% on taxable income up to \$45,000 (individuals)/\$90,000 (households) • 25% between \$45,000/\$90,000 and \$200,000/\$260,000 • 35% between \$200,000/\$260,000 and \$500,000/\$1 million • 39.6% above \$500,000/\$1 million • Benefit of 12% bracket phases out above \$1 million/\$1.2 million 	<ul style="list-style-type: none"> • 10% on taxable income up to \$9,525/\$19,050 • 12% between \$9,525/\$19,050 and \$38,700/\$77,400 • 22% between \$38,700/\$77,400 and \$70,000/\$140,000 • 24% between \$70,000/\$140,000 and \$160,000/\$320,000 • 32% between \$160,000/\$320,000 and \$200,000/\$400,000 • 35% between \$200,000/\$400,000 and \$500,000/\$1 million • 38.5% on taxable income above \$500,000/\$1 million • All rates expire after 12/31/25 	<ul style="list-style-type: none"> • 10% on taxable income up to \$9,525/\$19,050 • 12% between \$9,525/\$19,050 and \$38,700/\$77,400 • 22% between \$38,700/\$77,400 and \$82,500/\$165,000 • 24% between \$82,500/\$165,000 and \$157,500/\$315,000 • 32% between \$157,500/\$315,000 and \$200,000/\$400,000 • 35% between \$200,000/\$400,000 and \$500,000/\$600,000 • 37% on taxable income above \$500,000/\$600,000 • All rates expire after 12/31/25
Standard deduction	<ul style="list-style-type: none"> • Increased to \$12,200/\$24,400, indexed for inflation after 12/31/18 • Additional standard deduction for elderly and blind repealed 	<ul style="list-style-type: none"> • Increased to \$12,000/\$24,000, indexed for inflation after 12/31/18 • Additional standard deduction for the elderly and blind is maintained 	<ul style="list-style-type: none"> • Same as Senate

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		<ul style="list-style-type: none"> Expires after 12/31/25 	
Personal exemptions	<ul style="list-style-type: none"> Repealed 	<ul style="list-style-type: none"> Repealed through 12/31/25 	<ul style="list-style-type: none"> Same as Senate
Alternative inflation measure	<ul style="list-style-type: none"> Switch from Consumer Price Index for all urban consumers (CPI-U) to "chained" CPI-U that considers consumer substitution for cheaper goods, beginning after 12/31/17 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House
Child tax credit	<ul style="list-style-type: none"> \$1,600 per child under the age of 17 not indexed, refundable up to \$1,000 indexed to next \$100 \$300 nonrefundable family credit for each parent and non-child dependent, not indexed, expires after 12/31/22 Increases income threshold to \$110,000/\$230,000 above which credit phases out Refundable portion of credit disallowed for taxpayers without valid Social Security Number (SSN), if child does 	<ul style="list-style-type: none"> \$2,000 per child under the age of 18 (under 17 for 2025 tax year), not indexed, refundable up to \$1,000, indexed to next \$100 Refundability threshold lowered to \$2,500 in earned income \$500 nonrefundable credit for non-child dependents Increased phaseout threshold to \$500,000/\$500,000 Requires valid SSN for each child to claim refundable portion, 	<ul style="list-style-type: none"> Generally follows Senate, except refundable portion begins at \$1,400 in 2018, income phase-out thresholds are reduced to \$200,000/\$400,000, and present-law age limit of 17 and under is maintained Like Senate, requires valid SSN for each child to claim refundable portion, otherwise eligible for \$500 nonrefundable credit Like Senate, expires after 12/31/25

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	<p>not have SSN, only eligible for \$300 nonrefundable credit</p>	<p>otherwise eligible for \$500 nonrefundable credit</p> <ul style="list-style-type: none"> Expires after 12/31/25 	
<p>Nonrefundable personal credits</p>	<ul style="list-style-type: none"> Elderly and disabled credit and plug-in electric vehicle credit repealed 	<p>No change from present law</p>	<p>No change from present law</p>
<p>Education incentives</p>	<ul style="list-style-type: none"> Hope credit, lifetime learning credit repealed Above-the-line deductions for student loan interest and qualified tuition expenses repealed American Opportunity Tax Credit allowed for fifth year at 50% of prior value (40% for refundable portion) Valid SSN to claim AOTC required No new contributions to Coverdell savings accounts, though 529 accounts may receive Coverdell rollovers Up to \$10,000 annual 529 distributions for use in connection with public, private or religious elementary or secondary school, 	<ul style="list-style-type: none"> Up to \$10,000 annual 529 distributions for use in connection with public, private or religious elementary or secondary school, or home school expenses 	<ul style="list-style-type: none"> Same as Senate, except home school expenses not eligible for 529 distributions

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	<p>and 529 contributions for unborn children allowed</p> <ul style="list-style-type: none"> Exclusions from taxable income for employer education assistance and qualified tuition reduction repealed 		
<p>Pease limitation on itemized deductions, applicable to taxable income above \$261,500/\$313,800 (indexed)</p>	<ul style="list-style-type: none"> Repealed 	<ul style="list-style-type: none"> Repealed through 12/31/25 	<ul style="list-style-type: none"> Same as Senate
<p>Mortgage interest deduction</p>	<ul style="list-style-type: none"> Deductions for second home, home equity debt repealed Limit applicability to principal residence debt up to \$500,000 Acquisitions prior to 1/1/18 grandfathered, and refinancings prior to 11/2/17 are grandfathered to the extent the amount of the refinancing does not exceed amount of refinanced debt 	<ul style="list-style-type: none"> Repeals deduction for home equity debt through 12/31/25 	<ul style="list-style-type: none"> Reduces limit on deductible mortgage debt to \$750,000 for new purchases and refinancings (principal residence or otherwise) entered into after 12/15/17, and repeals deduction for interest paid on home equity debt, through 12/31/25 Like Senate, keeps deduction for second home
<p>State and local deductions</p>	<ul style="list-style-type: none"> Repealed except for property and sales taxes incurred in operating a trade or business, and for 	<ul style="list-style-type: none"> Same as House except for expiration after 12/31/25 	<ul style="list-style-type: none"> Same as House, except limit of up to \$10,000 in income, sales and/or property

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	<p>up to \$10,000 in other property taxes (not indexed)</p>		<p>taxes prior to 12/31/25</p>
<p>Charitable deductions</p>	<ul style="list-style-type: none"> Increases limit on cash contributions to qualified organizations from 50% to 60% of taxable income Allows adjustments to vehicle mileage rate in connection with providing volunteer services Denies deduction for purchases of college athletic seating rights 	<ul style="list-style-type: none"> Same as House except no change to mileage rate and provisions expire after 12/31/25 	<ul style="list-style-type: none"> Same as Senate
<p>Other deductions</p>	<ul style="list-style-type: none"> Deductions for personal casualty and property losses (except for losses sustained in Hurricanes Harvey/Irma/Maria), tax preparation expenses, medical expenses that exceed 10% of adjusted gross income, alimony payments, moving expenses (except for members of the Armed Forces), and out-of-pocket educator expenses repealed Includes travel expenses within limit on deduction for wagering losses 	<ul style="list-style-type: none"> Same as House except educator expense deduction is doubled to \$500 through 12/31/25 and deductions for all disaster-related personal casualty and property losses, alimony payments, as well as medical expense deduction, are maintained. Medical expense deduction floor decreased from 10% of adjusted gross income to 7.5% for 2017 and 2018 	<ul style="list-style-type: none"> Same as Senate except no increase in educator expense deduction and deduction for alimony payments is repealed, effective for settlements executed after Dec. 31, 2018 Like Senate, deductions for all disaster-related personal casualty and property losses, as well as medical expense deduction, are maintained. Like Senate, medical expense deduction floor decreased

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	<ul style="list-style-type: none"> No new contributions to Archer Medical Savings Accounts 		
Capital gains tax on home sales	<ul style="list-style-type: none"> Increases length of time to five of previous eight years taxpayer must own and live in home to qualify for full exclusion of first \$250,000/\$500,000 profit, otherwise exclusion is reduced Exclusion can only be used once every five years Exclusion amount phases out by \$1 for every \$1 of taxable income above \$250,000/\$500,000 	<ul style="list-style-type: none"> Same as House except no phaseout of exclusion amount and limitation expires after 12/31/25 	No change from present law
Exclusions for certain employee fringe benefits	<ul style="list-style-type: none"> Exclusions for employee achievement awards, moving expenses and adoption assistance repealed 	<ul style="list-style-type: none"> Exclusions for bicycle commuting reimbursements and moving expenses repealed, through 12/31/25 	<ul style="list-style-type: none"> Same as Senate
Dependent care Flexible Spending Accounts	<ul style="list-style-type: none"> Repealed after 12/31/22 	No change from present law	No change from present law
Retirement savings incentives	<ul style="list-style-type: none"> Recharacterization of Roth IRA contributions repealed 	<ul style="list-style-type: none"> Repeals recharacterization of Roth IRA contributions 	<ul style="list-style-type: none"> Same as Senate, except hardship withdrawal

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	<ul style="list-style-type: none"> Reduces minimum age for "in-service" distributions from governmental 457(b) plans to 59.5 Modifies rules related to hardship withdrawals 	<ul style="list-style-type: none"> Increases limit on amount of public safety volunteer length-of-service awards from \$3,000 to \$6,000, indexed for inflation 	provision is not included
Estate, gift and generation-skipping transfer taxes	<ul style="list-style-type: none"> Doubles estate and gift tax exemption after 12/31/17 Repeals estate/GST tax after 12/31/24 Reduces gift tax from 40% to 35% after 12/31/24 	<ul style="list-style-type: none"> Doubles estate, gift and GST tax exemption after 12/31/17, through 12/31/25 	<ul style="list-style-type: none"> Same as Senate
Alternative Minimum Tax	<ul style="list-style-type: none"> Repealed 	<ul style="list-style-type: none"> Exemption amounts increased to \$70,300/\$109,400, income thresholds above which AMT exemption phases out increased to \$156,300/\$208,400, effective through 12/31/25 	<ul style="list-style-type: none"> Same as Senate, except phaseout thresholds are increased to \$500,000/\$1 million
ACA "individual shared responsibility" payment	No change from present law	<ul style="list-style-type: none"> Repealed after 12/31/18 	<ul style="list-style-type: none"> Same as Senate
Member of Congress living expenses deduction	No change from present law	<ul style="list-style-type: none"> Repealed 	<ul style="list-style-type: none"> Same as Senate
Disaster aid	No change from present law	<ul style="list-style-type: none"> Special deductions for personal casualty losses and exemptions 	<ul style="list-style-type: none"> Same as Senate, with clarification that provision applies to losses

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		<p>from retirement plan withdrawal penalties for individuals in major disaster areas as declared by the president in 2016 under the Stafford Act</p>	<p>incurred between 12/31/15 and 1/1/18</p>
BUSINESS			
Corporate tax rate	<ul style="list-style-type: none"> Reduced from 35% to 20%, effective after 12/31/17 	<ul style="list-style-type: none"> Same as House except change is effective after 12/31/18 	<ul style="list-style-type: none"> Reduced to 21%, effective after 12/31/17, with adjustment for excess tax reserves
"Pass-through" businesses	<ul style="list-style-type: none"> Maximum 25% rate on qualified business income, other than income from personal services (e.g. law, accounting, engineering, financial advisory) Special rate applicable to 30% of business income, unless business owner elects to apply special capital percentage formula (must elect this formula for five years) Special 9% rate on first \$75,000 of taxable income for all pass-through owners earning up to \$150,000, above 	<ul style="list-style-type: none"> 23% deduction for domestic nonservice income, capped at 50% of taxpayer's total share of W-2 wages paid by the business Wage cap does not apply if taxable income does not exceed \$250,000/\$500,000 Full deduction allowed for services-related income if taxable income does not exceed \$250,000/\$500,000, phased out over the next \$50,000/\$100,000 Active pass-through losses 	<ul style="list-style-type: none"> Generally follows Senate, except deduction is equal to 20% and limitation on services-related income and wage cap is phased in beginning at \$157,500/\$315,000 Wage cap is modified to equal the greater of 50% of W-2 wages paid or 25% of W-2 wages plus 2.5% of the taxpayers' basis of depreciable property purchases Definition of services is modified to exclude engineering and

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	<p>which the benefit is reduced until it fully phases out at \$225,000 taxable income</p> <ul style="list-style-type: none"> Special 9 percent rate is phased in over five years, with 11% in 2018-19, 10% in 2020-21, and 9% starting in 2022 	<p>disallowed in excess of \$250,000/\$500,000</p> <ul style="list-style-type: none"> Publicly traded partnership distributions, agricultural and horticultural cooperatives, and qualified Real Estate Investment Trust and cooperative dividends eligible for deduction All provisions effective through 12/31/25 	<p>architecture and deduction is made available to trusts and estates</p> <ul style="list-style-type: none"> Like Senate, active pass-through losses disallowed in excess of \$250,000/\$500,000 Like Senate, publicly traded partnership distributions, agricultural and horticultural cooperatives, and qualified Real Estate Investment Trust and cooperative dividends eligible for deduction Like Senate, all provisions effective through 12/31/25
Corporate Alternative Minimum Tax	<ul style="list-style-type: none"> Repealed 	No change from present law	<ul style="list-style-type: none"> Repealed
Bonus depreciation	<ul style="list-style-type: none"> 100% expensing for qualified property acquired and placed in service and certain plants bearing fruits and nuts planted and grafted between 9/27/17 and 1/1/23 (or 1/1/24 for certain aircraft and longer production period property), applicable to used 	<ul style="list-style-type: none"> 100% expensing through 2022, phasing down by 20% each year for next five years through 2027 Unlike House version, real estate property not excluded and used property is not eligible Also applicable to film, television and 	<ul style="list-style-type: none"> Generally follows Senate, except retains House allowance for used property

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	<p>as well as new property</p> <ul style="list-style-type: none"> Public utility and real estate property excluded Increases from \$8,000 to \$16,000 the special depreciation allowance for luxury automobiles 	<p>live theater production costs</p> <ul style="list-style-type: none"> Maintains \$8,000 special depreciation allowance for luxury automobiles, but increases depreciation allowances for taxpayers who do not elect full expensing (e.g. who may be in a loss position) for such vehicles Removes substantiation requirement for computers and peripheral equipment 	
Research and experimentation expenses	<ul style="list-style-type: none"> Five-year amortization generally required, except for R&E conducted outside the U.S. for which the applicable recovery period is 15 years Effective after 12/31/22 	<ul style="list-style-type: none"> Same as House, except provision becomes effective after 12/31/25 	<ul style="list-style-type: none"> Also same as House, except becomes effective after 12/31/21
Other cost recovery	No change from present law	<ul style="list-style-type: none"> Shortens recovery period for certain farming equipment from seven to five years and repeals 150% declining balance method Shortens recovery period from 39 	<ul style="list-style-type: none"> Generally follows Senate, except maintains current law 39-year and 27.5-year recovery period for nonresidential real property and residential rental

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		<p>years for nonresidential real property and 27.5 years for residential real property to 25 years for each</p> <ul style="list-style-type: none"> • Shortens recovery period from 15 to 10 years for qualified leasehold, restaurant and retail improvements • For residential rental property covered under the Alternative Depreciation System, normally required for property used outside the U.S., for tax-exempt use or financed by tax-exempt bonds, or for any property whose owner opts out of the net interest expense limitation, the 40-year recovery period is shortened to 30 years 	<p>property, respectively, and provides for general 15-year recovery period for qualified improvement property</p>
<p>Sec. 179 expensing limits</p>	<ul style="list-style-type: none"> • Increased to \$5 million, with phaseout beginning at \$20 million in total qualified property placed in service 	<ul style="list-style-type: none"> • Increased to \$1 million, with phaseout beginning at \$20 million in total qualified property placed in service 	<ul style="list-style-type: none"> • Same as Senate

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	<ul style="list-style-type: none"> Expanded to include qualified energy efficient heating and air-conditioning property Expires 12/31/22 	<ul style="list-style-type: none"> Expanded to include property used to furnish lodging and improvements to nonresidential real property including roofs, heating, ventilation and air-conditioning property, fire protection and alarm systems, and security systems 	
Small business accounting	<ul style="list-style-type: none"> Expands ability to use cash method of accounting to all businesses that meet a \$25 million gross receipts test for the three prior taxable years 	<ul style="list-style-type: none"> Same as House except the gross receipts limit is \$15 million 	<ul style="list-style-type: none"> Same as House
Other accounting	No change from present law	<ul style="list-style-type: none"> Generally requires recognition of income in the taxable year in which such income appears in an applicable financial statement such as 10-K filings Exemptions for certain long-term contracts, income from mortgage servicing rights 	<ul style="list-style-type: none"> Same as Senate

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		<ul style="list-style-type: none"> Effective date of new financial statement rules delayed one year, to 1/1/19, for income from original issue discount debt instruments issued at less than face value, with six-year adjustment period 	
S corporation conversions to C corporation	<ul style="list-style-type: none"> Allows converting S corporation to spread tax impact of switching from cash accounting to accrual accounting method over six years in equal installments (applicable to corporations with greater than \$25 million three-year average gross receipts) 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House
Interest expense deductions	<ul style="list-style-type: none"> Limits interest expense deductions to the sum of net interest income plus 30% of adjusted taxable income and any "floor plan financing" interest (common among auto dealers) Disallowed interest may be carried 	<ul style="list-style-type: none"> Same as House except adjusted taxable income does not include deductions for depreciation, amortization and depletion, but includes new pass-through deduction 	<ul style="list-style-type: none"> Generally follows Senate, except EBITDA basis expires after 12/31/21, after which 30% limit is calculated based on EBIT and follows House on three-year, \$25 million gross receipts test

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	<p>forward for up to five years</p> <ul style="list-style-type: none"> Businesses that meet a three-year, \$25 million gross receipts test are exempted, as are real estate businesses and regulated public utilities 	<ul style="list-style-type: none"> Disallowed interest may be carried forward indefinitely The gross receipts test is \$15 million Definition of floor plan financing indebtedness includes purchases of vehicles for lease as well as sale, and includes self-propelled vehicles but removes construction equipment from definition Rural electric cooperatives are also exempt Farming businesses, including agricultural and horticultural cooperatives, may opt out but must depreciate property over 10 or more years 	
<p>Net operating loss deductions</p>	<ul style="list-style-type: none"> Limited to 90% of taxable income, with unlimited carryovers permitted Carryovers are increased annually Special carryback provisions are repealed, other than one-year carryback for certain farm or 	<ul style="list-style-type: none"> Limited to 90% of taxable income, declining to 80% after 12/31/22, with unlimited carryovers permitted, except for property and casualty insurance losses for which 20-year carryforwards are maintained 	<ul style="list-style-type: none"> Generally follows Senate, except deduction is limited to 80% beginning after 12/31/17

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	<p>small business losses</p> <ul style="list-style-type: none"> • Small businesses with no more than \$5 million annual gross receipts are exempted 	<ul style="list-style-type: none"> • Special carryback provisions are repealed, other than two-year carryback for certain farm or property and casualty insurance losses 	
Like-kind exchanges	<ul style="list-style-type: none"> • Repealed other than for real property not held primarily for sale 	<ul style="list-style-type: none"> • Same as House 	<ul style="list-style-type: none"> • Also same as House
Contributions to capital	<ul style="list-style-type: none"> • Repeals exemption from gross income for contributions to corporations' capital, other than contributions of money or property in exchange for stock or other interests 	<p>No change from present law</p>	<ul style="list-style-type: none"> • Removes from definition of contribution to capital any contribution in aid of construction or by customer/potential customer, as well as contributions by governmental entities or civic groups
Deduction for local lobbying expenses	<ul style="list-style-type: none"> • Repealed 	<ul style="list-style-type: none"> • Repealed 	<ul style="list-style-type: none"> • Repealed
Sec. 199 domestic production deduction	<ul style="list-style-type: none"> • Repealed after 12/31/17 	<ul style="list-style-type: none"> • Repealed after 12/31/17 for noncorporate taxpayers, and after 12/31/18 for C corporations 	<ul style="list-style-type: none"> • Same as House
Employer-provided fringe benefits	<ul style="list-style-type: none"> • Prohibits business deductions for entertainment expenses, membership dues, 	<ul style="list-style-type: none"> • Same as House except deduction for on-premises athletic facilities would remain, 	<ul style="list-style-type: none"> • Same as Senate

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	<p>parking/transit benefits, on-premises athletic facilities, and food and beverages provided on-premises</p> <ul style="list-style-type: none"> Existing 50% deduction limit on business meal expenses would remain 	<p>and deduction for food and beverages provided on premises is limited to 50% prior to 12/31/2025, after which deduction would be disallowed</p> <ul style="list-style-type: none"> Cash, gift cards and other nontangible personal property no longer deductible forms of employee achievement awards 	
FDIC premiums	<ul style="list-style-type: none"> Deduction disallowed for financial institutions with greater than \$50 billion in consolidated assets Limited for institutions with greater than \$10 billion in assets Full deduction allowed for at or below \$10 billion assets 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House
Tax-free rollover of capital gain into Small Business Investment Company	<ul style="list-style-type: none"> Repealed 	No change from present law	<ul style="list-style-type: none"> Repealed

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Capital gains on self-created intangible property	<ul style="list-style-type: none"> Repeals preferential rates 	No change from present law	<ul style="list-style-type: none"> Same as House
Carried interest	<ul style="list-style-type: none"> Holding period for preferential long-term capital gains tax rate increased from one to three years for investment services providers 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House
Cost basis for securities transactions	No change	<ul style="list-style-type: none"> Switches to "first-in, first-out" method of determining cost basis, rather than at the taxpayer's election under current law, with exemption for mutual funds 	No change from present law
Partnership rules	<ul style="list-style-type: none"> Repeal of technical termination of partnerships 	<ul style="list-style-type: none"> Tightens rules related to sale or exchange of partnership interests, clarifies that charitable contributions and foreign taxes are included in calculation of partners' loss limitations 	<ul style="list-style-type: none"> Retains House and Senate provisions
Non-disclosure agreements in sexual abuse/harassment cases	No change from present law	<ul style="list-style-type: none"> Denial of deduction for any settlement, payout or attorney fees related to sexual 	<ul style="list-style-type: none"> Same as Senate

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		harassment or sexual abuse if such payments are subject to nondisclosure agreement	
Contingency fees	<ul style="list-style-type: none"> Denial of deduction for advances paid to clients 	<ul style="list-style-type: none"> No change from present law 	<ul style="list-style-type: none"> No change from present law
Orphan drug credit	<ul style="list-style-type: none"> Repealed 	<ul style="list-style-type: none"> Cuts existing credit from 50% to 27.5% 	<ul style="list-style-type: none"> Same as Senate except credit is reduced to 25%
Employer-provided child care credit	<ul style="list-style-type: none"> Repealed 	No change from present law	No change from present law
Historic rehabilitation credit	<ul style="list-style-type: none"> Repealed 	<ul style="list-style-type: none"> Provides 20% credit over five years Repeals credit for pre-1936 property 	<ul style="list-style-type: none"> Same as Senate except taxpayer may select 60-month phased rehabilitation period
Work Opportunity Tax Credit	<ul style="list-style-type: none"> Repealed 	No change from present law	No change from present law
New Markets Tax Credit	<ul style="list-style-type: none"> Repealed 	No change from present law	No change from present law
Credit for disabled employee access	<ul style="list-style-type: none"> Repealed 	No change from present law	No change from present law
FICA tax credit for tipped workers	<ul style="list-style-type: none"> Increases threshold above which an employer can claim tip credit to \$7.25/hr, in line with federal minimum wage in place for 2017 Requires employer to allocate tip income among employees in 	No change from present law	No change from present law

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	<p>excess of 10% of gross receipts above amounts reported by employees (up from 8% in current law)</p>		
<p>Family and medical leave credit</p>	<p>No change from present law</p>	<ul style="list-style-type: none"> • Provides credit equal to 12.5% of wages paid during period in which employees are on family or medical leave if payment rate is at least 50% of normal wages • Credit is increased by 0.25 percentage points for each percentage point payment rate rises above 50% • Requires substantiation by Treasury for certain employers claiming credit • Expires after 12/31/19 	<ul style="list-style-type: none"> • Same as Senate
<p>Craft beverage excise taxes</p>	<p>No change from present law</p>	<ul style="list-style-type: none"> • Lowers tax rate on beer from \$18 per barrel to \$16 on first 6 million barrels produced or imported annually, with small brewers taxed at \$3.50 per barrel on first 60,000 barrels 	<ul style="list-style-type: none"> • Same as Senate

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		<p>produced domestically</p> <ul style="list-style-type: none"> • Removes 250,000 gallon domestic production limitation on wine excise tax credit, and makes sparkling wine producers and importers eligible, with a new tiered credit structure based on volume produced • Allows higher alcohol content wine to qualify for lowest tier excise tax rate • Reduced tax rate on mead and certain carbonated wines, and creates new tiered tax rate structure for distilled spirits • All provisions expire after 12/31/19 	
Aircraft management services	No change from present law	<ul style="list-style-type: none"> • Exempts certain payments by aircraft owners for maintenance and support services from air transportation excise taxes 	<ul style="list-style-type: none"> • Same as Senate
Qualified Opportunity Zones	No change from present law	<ul style="list-style-type: none"> • Creates deferral of income for capital 	<ul style="list-style-type: none"> • Same as Senate, with clarification

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		gains reinvested in a "qualified opportunity fund" which invests in low-income communities	that each state and District of Columbia may submit nominations for a limited number of opportunity zones
Alaska Native Corporations	No change from present law	<ul style="list-style-type: none"> Allows Alaska Native Corporations to transfer money to settlement trusts established "to promote the health, education and welfare of beneficiaries and to preserve the heritage and culture of Alaska Natives" without recognizing gross income and allowing an ANC to deduct contributions to a settlement trust 	<ul style="list-style-type: none"> Same as Senate
ENERGY			
Renewable electricity production tax credit	<ul style="list-style-type: none"> Eliminates inflation adjustment for facilities which begin construction after date of enactment Maximum credit is 1.5 cents per kilowatt hour 	No change from present law	No change from present law
Renewable energy investment tax credit	<ul style="list-style-type: none"> Modified to include fiber optic solar, fuel cell, 	No change from present law	No change from present law

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	<p>microturbine, geothermal heat pump, small wind and combined heat and power property on same phase out schedule as existing ITC for solar energy property, through 2021</p> <ul style="list-style-type: none"> • 10% solar and geothermal ITC is repealed for new projects which begin construction after 2027 		
Residential energy-efficient property credit	<ul style="list-style-type: none"> • Modified to include geothermal heat pump, small wind and fuel cell property on same phase out schedule as existing residential property credit (through 2021) 	No change from present law	No change from present law
Enhanced oil recovery credit	<ul style="list-style-type: none"> • Repealed 	No change from present law	No change from present law
Marginal oil and gas well credit	<ul style="list-style-type: none"> • Repealed 	No change from present law	No change from present law
Nuclear production tax credit	<ul style="list-style-type: none"> • Requires allocation of unused megawatt capacity by secretary of the Treasury 	No change from present law	No change from present law
Arctic Drilling	No change from present law	<ul style="list-style-type: none"> • Repeals prohibition on oil and gas exploration in 	<ul style="list-style-type: none"> • Same as Senate

Provision	House	Senate	Final Bill
		<p>"1002 Area" of Alaska's Arctic National Wildlife Refuge</p> <ul style="list-style-type: none"> • Sets 16.67% royalty rate for leases and directs 50% of revenue to Alaska, remainder to federal Treasury, and directs Secretary of Interior to conduct one lease sale within four years and two within seven years after enactment, of least 400,000 acres each • Temporarily increases revenue sharing for Alabama, Mississippi, Texas and Louisiana for fiscal years 2020-21 • Directs Secretary of Energy to draw down and sell seven million barrels of crude oil from Strategic Petroleum Reserve in fiscal 2026-27 for a total of \$600 million 	

Provision	House	Senate	Final Bill
INFRASTRUCTURE			
Private activity bonds	<ul style="list-style-type: none"> Tax exemption repealed for new bonds issued after 12/31/17 	No change from present law	No change from present law
Advance refunding bonds	<ul style="list-style-type: none"> Exclusion from gross income for interest on bonds issued to advance refund other bonds repealed for new issues after 12/31/17 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House
Tax credit bonds	<ul style="list-style-type: none"> Authority to issue New Clean Renewable Energy Bonds, qualified energy conservation bonds, qualified zone academy bonds and qualified school construction bonds repealed 	No change from present law	<ul style="list-style-type: none"> Same as House
Tax-exempt bonds for professional sports stadiums	<ul style="list-style-type: none"> Repealed for bonds issued after 11/2/17 	No change from present law	No change from present law
INSURANCE			
Life insurance / property & casualty insurance modifications	<ul style="list-style-type: none"> Includes 8% surtax on life insurance company income modified discounting and proration rules for property and casualty insurance companies 	<ul style="list-style-type: none"> Same as House, but with modified proration rules for life insurers, no modification of discounting rules for P&C insurers No 8% surtax on life insurer taxable 	<ul style="list-style-type: none"> Generally follows House/Senate, except final agreement drops House's 8% surtax, includes Senate language on proration rules for P&C insurers and

Provision	House	Senate	Final Bill
	<ul style="list-style-type: none"> repeals small life insurance company deduction aligns accounting treatment of changes in computing life insurance reserves with accounting treatment for other corporations repeals special rule for distributions to shareholders from pre-1984 policyholders surplus account 	<p>income as in House bill, but would reduce deductible life insurer taxable reserves by 7.13%</p> <ul style="list-style-type: none"> Extends amortization period for certain policy acquisition expenses, such as commissions, from 120 to 180 months (60-month amortization of first \$5 million in expenses remains in place), and increases percentages of policy acquisition expenses as a share of deductible net premiums 	<p>modified House language on discounting rules for P&C insurers, increases reduction in deductible life insurer reserves to 7.19% and slightly reduces percentages of policy acquisition expenses as a share of deductible net premiums from Senate version</p>
COMPENSATION			
Employee compensation	<ul style="list-style-type: none"> Eliminates exceptions for commissions and performed-based compensation from \$1 million annual deduction limit Expands definition of "covered employee" subject to deduction limitation 	<ul style="list-style-type: none"> Eliminates exceptions for commissions and performed-based compensation from \$1 million annual deduction limit Expands definition of "covered employee" subject to deduction limitation With transition rule so that changes do not apply to written binding 	<ul style="list-style-type: none"> Generally follows Senate, with modification to transition rule for binding written contracts in place by 11/2/17

Provision	House	Senate	Final Bill
		contracts in effect on 11/2/17 or modified in a material respect after that date	
Tax-exempt organizations	<ul style="list-style-type: none"> 20% excise tax on compensation in excess of \$1 million paid to five highest-paid employees 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Generally follows House, except tax rate is 21%, includes narrower definition of "highly compensated employee," and exempts remuneration paid to a licensed medical professional directly related to the performance of medical or veterinary services
Equity grants	<ul style="list-style-type: none"> Gives employees option to defer inclusion in income of amounts attributable to stock transferred to the employee 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Generally follows House, with modifications
INTERNATIONAL			
"Territorial" tax regime	<ul style="list-style-type: none"> 100% deduction for foreign-source dividends received by domestic corporations 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House
Sales or transfers of foreign assets in connection with	<ul style="list-style-type: none"> Limitation on losses incurred upon sale or 	<ul style="list-style-type: none"> Same as House, with additional stipulations that 	<ul style="list-style-type: none"> Retains House and Senate provisions

Provision	House	Senate	Final Bill
transition to territorial system	transfer of foreign branch assets corporations	sale of stock held in foreign corporations for one or more years as well as sales of stock in one foreign subsidiary by another foreign subsidiary are also covered by the limitation	
Treatment of deferred foreign income upon transition to territorial regime	<ul style="list-style-type: none"> • One-time tax on post-1986 earnings and profits indefinitely reinvested abroad and not previously subject to U.S. tax • Tax imposed at a 14% rate for liquid assets and 7% for illiquid assets • Tax payment may spread over eight years in equal installments 	<ul style="list-style-type: none"> • "Deemed" taxes are imposed at rates of 14.49% and 7.49%, respectively • For companies electing installment payments, 8% of tax liability is required for first five years, rising to 15% in year six, 20% in year seven, and 25% in final year • Imposes 35% "recapture" tax on dividends received by companies that enter into inversion transactions within 10 years after date of enactment 	<ul style="list-style-type: none"> • Generally follows Senate, except taxes are imposed at rates of 15.5% and 8% respectively
Modifications to "Subpart F" anti-deferral regime	<ul style="list-style-type: none"> • Repeals inclusion of certain categories of foreign shipping and oil and gas- 	<ul style="list-style-type: none"> • Same as House 	<ul style="list-style-type: none"> • Generally follows House, except conference agreement drops permanent

Provision	House	Senate	Final Bill
	<p>related income in Subpart F income</p> <ul style="list-style-type: none"> • "Look-through" rule for controlled foreign corporations made permanent 		<p>extension of CFC look-through rule</p>
<p>Anti-base erosion provisions</p>	<ul style="list-style-type: none"> • 10% tax on "foreign high return" income, defined as the excess above the federal short-term rate plus 7%, with the base amount reduced to take into account qualified business asset investment and interest expense • Limits deductible net interest expense of a domestic corporation that is a member of a multinational group to 110% of its share of the worldwide group's net interest expense, with carryforwards of disallowed deductions for five years • Beginning after 12/31/18, imposes 20% excise tax on payments by a domestic corporation to a foreign corporation that are allowed as 	<ul style="list-style-type: none"> • 17.5% effective tax rate on new category of "global intangible low-taxed income" or GILTI, defined as aggregate net income over a 10% return on CFC depreciable tangible property, beginning after 12/31/17, reduced to 10% after 12/13/18 and rising to 12.5% beginning after 12/31/25) • Limits deductible net interest expense of a domestic corporation that is a member of a multinational group to 130% of the domestic share of the worldwide group's total indebtedness based on its debt-equity ratio, phasing down to 110% in 2022 in 5% annual increments, with unlimited 	<ul style="list-style-type: none"> • Generally follows Senate, except effective tax rate on GILTI ranges from 10.5% to 13.125%, depending on amount of taxes paid overseas, beginning after 12/31/17, rising to 13.125% to 16.406% after 12/31/25 • Removes provisions on excess indebtedness of U.S. member of worldwide group • Tax on base erosion payments is reduced to 5% for one year beginning after 12/31/17, after which it rises to 10%, further rising to 12.5% after 12/31/25 (one percentage point higher in each instance for certain banks and securities dealers)

Provision	House	Senate	Final Bill
	<p>a deduction or included in costs of goods sold, inventory or as a depreciable or amortizable asset</p>	<p>carryforwards for disallowed deductions</p> <ul style="list-style-type: none"> • Imposes 10% tax (11% for certain banks and securities dealers) on deductible foreign payments (other than derivatives transactions entered into in the ordinary course of business) from a U.S. corporation, not including cost of goods sold; tax rises to 12.5% (13.5% for certain banks and securities dealers) after 12/31/25 • Restricts certain tax exemptions for foreign insurance income • Increases excise tax on stock compensation of officers of an inverted corporation from 15% to 20% 	
<p>"Patent box" preferential rate for foreign-derived income from U.S. intellectual property assets</p>	<p>No change from present law</p>	<ul style="list-style-type: none"> • Allows reduced rate of 21.875% on foreign-derived intangible income earned from a trade or business operating in the U.S. beginning after 12/31/17, further reduced to 	<ul style="list-style-type: none"> • Generally follows Senate, except effective tax rate drops to 13.125% after 12/31/17, and rises to 16.406% after 12/31/25

Provision	House	Senate	Final Bill
		12.5% beginning after 12/31/18, and rising to 15.625% after 12/31/25	
Special rule for intellectual property transfers	No change from present law	<ul style="list-style-type: none"> Allows for tax-free IP transfers from a controlled foreign corporation to its U.S. parent 	No change from present law
Domestic International Sales Corporation rules	No change from present law	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none">
U.S. territories	<ul style="list-style-type: none"> Extends Sec. 199 deduction for Puerto Rico activities for one year, retroactive to 1/1/17 Extends rum "cover over" increase for Puerto Rico and Virgin Islands, and American Samoa economic development credit through 12/31/22 	<ul style="list-style-type: none"> Removes certain restrictions on the ability of U.S. citizens to claim residence in the U.S. Virgin Islands to benefit from the territory's economic development tax credits Aligns capital gains tax treatment for USVI residents with treatment of capital gains in Puerto Rico 	No change from present law
Foreign tax credit domestic loss rules	No change from present law	<ul style="list-style-type: none"> Maximum domestic losses creditable for foreign tax credit purposes increased to 100% for pre-2018 losses 	<ul style="list-style-type: none"> Same as Senate
Insurance	<ul style="list-style-type: none"> Restrictions on insurance 	<ul style="list-style-type: none"> Same as House 	<ul style="list-style-type: none"> Also same as House

Provision	House	Senate	Final Bill
	<p>business exception to passive foreign investment company rules</p>		
<p>TAX-EXEMPT ORGANIZATIONS</p>			
<p>Unrelated Business Taxable Income</p>	<ul style="list-style-type: none"> • Clarifies that state and local pension plans are subject to UBIT • Provides that UBIT exclusion for fundamental research only applies to research that is publicly available 	<ul style="list-style-type: none"> • Prohibits losses from one unrelated trade or business from being used by a tax-exempt organization to offset gains by another unrelated trade or business 	<ul style="list-style-type: none"> • Same as Senate
<p>Excise taxes</p>	<ul style="list-style-type: none"> • Replaces two tiers of private foundation excise tax with a single tier at 1.4% on net investment income • Require art museums to provide public access to qualify as a private operating foundation • Impose 1.4% excise tax on net investment income of private colleges and universities with at least 500 students and assets equal to at least \$250,000 per student 	<ul style="list-style-type: none"> • Same as House on college/university endowments except requirement is 500 tuition-paying students and assets-per-student threshold is increased to \$500,000, and no change to private foundation excise tax or art museum/foundation status 	<ul style="list-style-type: none"> • Generally follows Senate except endowment excise tax applies to colleges/universities with more than 50% of students located in the U.S. and applies to institutions with 500 students (regardless of whether they pay tuition)

Provision	House	Senate	Final Bill
Political campaign activity	<ul style="list-style-type: none"> Repeals "Johnson Amendment" prohibition on tax-exempt organizations' support for political campaigns, without causing them to lose tax-exempt status 	No change from present law	No change from present law

Source: House Ways and Means Committee, Senate Finance Committee, Joint Committee on Taxation