



# TAX REFORM SNAPSHOT: Corporate Impact

## KEY CORPORATE PROVISIONS

- Corporate tax rate slashed from 35 percent to a flat 21 percent
- Corporate Alternative Minimum Tax (AMT) repealed
- Net interest expense deduction capped at 30 percent of adjusted taxable income
- Changes to treatment of net operating losses (NOL) which add up to reduced NOL carryforward value starting in 2018:
  - NOL deduction limited to 80 percent of taxable income
  - NOL carrybacks prohibited (but not for property/casualty insurance companies)
  - NOL carryforwards permitted indefinitely (but not for property/casualty insurance companies)
- New three-year holding period for certain carried interests in particular real estate or investment funds
- Bonus depreciation increased to 100% and expanded to used assets for first time (phase-out begins in 2023)
- Section 179 expensing allowance increased to \$1 million, subject to phase-out
- International tax changes:
  - One-time repatriation tax on overseas-held earnings and profits: 15.5 percent for cash and 8 percent for illiquid assets
  - New dividends received deduction for certain earnings of 10 percent foreign-owned corporations
  - Global intangible income taxed for foreign corporations

## STATE & LOCAL CONSIDERATIONS

*Make sure to review state and local tax circumstances with your advisor as different jurisdictions may vary on several federal tax reform provisions.*

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