

Reforms to Certain Business Tax Expenditures Proposed in the Senate Tax Cut and Jobs Act

Tax Provision	Senate Tax Cut and Jobs Act
Certain Business tax Expenditures	
Dividends received	Reduction of deduction percentages
Depreciation limits on luxury automobiles and personal use property	Modified
Treatment of certain farm property	Modified
Deduction for net operating losses	Modified
Like-kind exchanges	Repealed excepted for real property
Recovery period for real property	Modified
Certain special rules for taxable year of inclusion	Modified
Certain unused business credits	Repealed
Cost basis of securities	Determined without regard to identification
Contribution limits for employer-sponsored plans	Modified
10% early withdrawal tax to governmental 457 plans	Modified
Catch-up contributions for high-wage employees	Repealed
Deduction for domestic production	Repealed
Deduction for entertainment and fringe expenses	Limited
Deduction for FDIC premiums	Limited
Credit for clinical testing expenses	Modified
Credit for rehabilitation	Modified
Bonds	
Advance funding bonds	Repealed
Insurance	
Net operating losses of life insurance companies	Modified
Small Life Insurance Company Deduction	Repealed
Computation and adjustment of life insurance tax reserves	Modified
Special rule for distributions to shareholders from pre-1984 policyholders surplus account	Repealed
Proration rules for property and casualty insurance companies	Modified
Special estimated payments	Repealed
Capitalization of certain policy acquisition expenses	Modified
Tax reporting for life settlement transactions	Modified

	Clarification of tax basis of life insurance companies	Modified
	Exception to transfer for valuable consideration rules	Modified
Compensation		
	Nonqualified deferred compensation	Modified
	Deduction for certain executive compensation above \$1M for performance based pay	Modified
	Excise tax on tax-exempt organization executive compensation	20% on compensation greater than \$1M
Exempt organizations		
	Name and logo royalties	Treated as unrelated business income
	Tax-exempt status for professional sports leagues	Repealed
	Excess benefit transactions	Modified
	Charitable deduction for amounts paid in exchange for college athletic event seating rights	Repealed
	Unrelated business income tax treatment of entities treated as exempt from taxation under section 501(a)	Clarified
	Excise tax on private foundation investment income	Modified
	Excise tax based on investment income of private colleges and universities	1.4%
Small business		Expanded use of cash method of accounting and other modifications