

SENATE BILL PASSES: START PLANNING FOR TAX REFORM

Early Saturday morning, December 2, 2017, the Senate passed H.R. 1, the Tax Cuts and Jobs Act. The following are a few of the key revisions included in the current version of the bill:

- Allow a deduction for up to \$10,000 in property taxes paid to state and local governments (the original Senate bill proposal was zero);
- Keep the individual and corporate alternative minimum tax (AMT), with AMT exemption amounts and phase-out thresholds increased by approximately 39%;
- Lower the threshold in 2017 and 2018 for individuals to deduct medical expenses from 10% of adjusted gross income (AGI) to 7.5% of AGI;
- Provide new due diligence requirements for paid tax return preparers who have clients filing as head of household;
- Allow funds from Section 529 savings accounts to be used toward K-12 school tuition;
- Extend the 100% expensing for qualified business property by four more years, while gradually phasing it out over time; and
- Increase the deduction for qualifying passthrough entities from 17.4% to 23%.



The proposed legislation now heads to the Joint Conference Committee. If the differences can be resolved and both houses can agree on a final bill, we will have tax reform.

For more information about this article, please contact our tax professionals at taxalerts@windes.com or toll free at **844.4WINDES** (844.494.6337).

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