

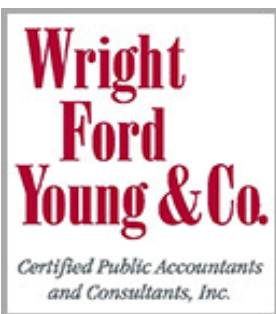
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The table below compares the current law to the House and Senate Conference report released December 15, 2017.

	Current law	Conference report
Personal tax rate	Seven tax brackets: 10%, 15%, 25%, 28%, 33%, 35%, 39.6%	Seven tax brackets: 10%, 12%, 22%, 24%, 32%, 35%, 37% (expires 2025)
Sole proprietorship and pass through tax rate	39.6%	20% deduction for qualifying domestic non service business income including architects and engineers; small services qualify (expires 2025)
Max corporate tax rate	35%	21% beginning 2018; reduce 80% dividends received deduction to 65% and 70% to 55%
Depreciation	Section 179 limit \$500,000	Immediate expensing of most property through 2022 (excludes structures); Section 179 limit increased to \$1 million. Certain real property improvements qualify
Mortgage interest	Deductible on up to \$1.1 million debt	Deductible on up to \$750,000 of new debt; old debt limit to remain at \$1.1 million (expires 2025)
Personal state income and property tax	Allowable as an itemized deduction	Allowable up to \$10,000 (expires 2025)
Business Interest	Generally deductible	Ave gross receipts greater than \$25 million limitation on net interest deductible to 30% of adjusted taxable income (EBITDA) thru 2022, then EBIT thereafter

	Current law	Conference report
Cash method of accounting	Generally limited to businesses with less than \$1 million, \$5 million, or \$10 million in revenue depending on the facts	Expanded to include businesses with less than \$25 million in revenue
Domestic production activities deduction	Domestic producers eligible for 9% deduction of qualifying income	Repealed after 2017
Alternative minimum tax (AMT)	Corporate AMT: 20%, Personal AMT: 26%/28%	Repeal corporate AMT, increased personal exemption amounts (personal expires 2025)
Gift and estate tax	Tax up to 40% on gifts and estates, subject to \$5.45 million lifetime exemption per spouse	Lifetime exemption doubled, estate tax remains (expires 2025)
Health Insurance Mandate	Mandatory health insurance coverage	Repeals mandate beginning 2019
Net operating losses	Allowed two years back and twenty years forward to offset up to 100% of taxable income	Carried forward only indefinitely and offset up to 80% of taxable income
Business entertainment expenses	50% deductible	Non deductible
Self created property	Capital gain on sale	Ordinary income on sale
Employer paid Family and Medical leave wages	No credit	Eligible employers receive 12.5% or greater tax credit



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