

# Business Tax Provision Changes Under Tax Reform by Year



| TAX PROVISION                                  | YEAR   |  |   |      |      |      |      |      |      |  |  |
|--|--|--|---|------|------|------|------|------|------|--|--|
|  | 2017   | 2018                                       | 2019  | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 Forward   |  |
| <b>Pass-Through Income Deduction</b>           | None   | 20% deduction of qualified business income |   |      |      |      |      |      |      | None   |  |
| <b>Corporate Tax Rate</b>                      | 35%  | 21%  |   |      |      |      |      |      |      |  |  |
| <b>Corporate Alternative Minimum Tax (AMT)</b> | 20%  | Repealed                                   |   |      |      |      |      |      |      |  |  |
| <b>Section 179 Maximum Limits</b>              | \$500K on investments up to \$2M   |  | \$1M on investments up to \$2.5M  |      |      |      |      |      |      | \$1M on investments up to \$2.5M (plus indexed for inflation beginning 2019) |  |
| <b>Full Expensing of Qualified Property</b>    | 50%:<br>Jan. 1, 2017 –<br>Sept. 27, 2017                                     | 100%:<br>Sept. 28, 2017 –<br>Dec. 31, 2017 | 100%  |      |      |      | 80%  | 60%  | 40%  | 20% (in 2026 only)   |  |
| <b>Interest Expense</b>                        | Reduced as paid or accrued   |  | Limited to 30% of adjusted taxable income (unused amount carries over indefinitely) |      |      |      |      |      |      |  |  |
| <b>Net Operating Losses (NOLs)</b>             | Carryback 2 years. Carryforward 20 years. Can offset 100% of taxable income. |  | No carryback. Carryforward indefinitely. Can offset 80% of taxable income.          |      |      |      |      |      |      |  |  |