



Corporate tax Changes (Domestic C Corporations)	2017 Rules	New Law Beginning January 2018 Except as Noted
Corporate Tax Rate	35%	21%
Corporate AMT	Raised corporate tax up to 20% effective rate	Corporate AMT Eliminated
Ceiling at which Cash Method of Accounting Allowed	Until \$5M	Until 3 Year Average Receipts Exceed \$25M
Net Operating Losses Allowed	Carried Backwards Two Years, Forward 20	No carryback (except farmers). Carryforward indefinite. Limit to 80% of Annual Income Offset
Section 179 Current Expense Deduction for most Capital Purchases	\$500k	\$1M, Phased out at \$2.5M
Research and Development Expense Deduction	Immediately deducted	Capitalized over 5 years (15 years if conducted outside of the US)
Bonus Depreciation Deduction	Capital Purchases Depreciated Except up to 179 Allowance	Immediate Expensing of Most Capital Purchases for 5 years, then Sunset to Current Rules
Entertainment Expense Deduction	50% Deductible	Most entertainment expenses, including membership dues to clubs eliminated
Section 1031 Like-kind Exchanges	Allowable for Real Property Plus Property Such as Collectibles and Airplanes	Generally limited to Real Property Exchanges
Section 199 Domestic Production Activities Deduction	Allow for deduction based on % of U.S. manufactured materials	Repealed
Qualified Transportation Fringe Benefits	Deduction Allowed for Reimbursed Qualified Employee Expenses	Deduction Repealed
Meals	Generally 50% Deductible	50% Rule Remains. Expanded to Include Some Employer-Provided Cafeteria Expenses.
Employer credit for paid family or medical leave	Compensation deduction only	Eligible Employers can Claim 12.5%-25% Credit For Qualified Wages Paid for FMLA in 2018 and 2019
Qualified equity grants	Taxable Compensation on Date of Grant	Defined Qualified Stock Grants May Be Deferred From Income Recognition at Employee Election
Section 45C Orphan drug credit	50% of Qualified Expenses	Reduced to 25% of Qualified Expenses