Business

- 1.) The C Corporation tax rate dropped from 35% to 21%. 2.) Bonus depreciation increases to 100%, no expense limits.
- a.) For purchases after September 27, 2017, both new or used, but must the corporation's first use property.
- b.) Sec. 179 expensing up to $500,00; phase out starts at $2,030,000 of total
- asset purchases. After 2017, the limit goes up to $1,000,000 with the expense phaseout starting at $2,500,000.
- 1.) Allows for subsequent improvements to real property for roofs, HVAC, fire protection, alarm systems, and security systems after 2017.
- 2.) Allows for personal property to furnish lodging establishments (hot els, motels) for beds, furniture, appliances, etc.
- 3.) Allows for indexing for subsequent years.
- 3.) C Corporations can use cash accounting method for gross receipts not to exceed the average of $25 million even if they have inventory-to use same inventory method reflected in financial statements or books and records.
- 4.) Limits business interest deduction to 30% of business AGI for businesses with average gross receipts of $15 million.
- 5.) Net Operating Loss is limited to 80% of taxable income with carry forwards not limited to 20 years; loss carry back eliminated after 2017.
- 6.) Section 1031 like-kind exchanges limited to real property after December 31, 2017.
- 7.) Alternative Minimum Tax credit carry forwards can offset against regular tax liability for any year going forward.
- a.) 50% of the refund arising from applying the credit carry forward to the extent it exceeds regular tax liability for the years 2018-20, then 100% of any remaining credit in 2021.