

# 2017 TAX CUTS & JOBS ACT

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## *Regulatory Outlook*

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The Internal Revenue Service and the Treasury Department released an updated Priority Guidance Plan outlining the regulatory projects that have become necessary in light of the passage of the 2017 Tax Cuts and Jobs Act (the "TCJA").

The new projects directly resulting from the TCJA include 18 items, most notably:

- Computational, definitional, and anti-avoidance guidance under new §199A;
- Guidance implementing changes to §529;
- Guidance implementing changes to §1361 regarding electing small business trusts; and
- Guidance on computation of estate and gift taxes to reflect changes in the basic exclusion amount.

(See complete list of priorities listed for the initial implementation phase of the TCJA attached hereto.)

Several priorities relating to Federal Estate and Gift Tax remain on the "to do" list:

- Guidance on basis of grantor trust assets at death under §1014.
- Final regulations under §2032(a) regarding the imposition of restrictions on estate assets during the six month alternative valuation period. Proposed regulations were published on November 18, 2011.
- Guidance under §2053 regarding personal guarantees and the application of present value concepts in determining the deductible amount of expenses and claims against the estate.

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*Excerpt from the updated 2017-2018 Priority Guidance Plan:*

## **PART 1. INITIAL IMPLEMENTATION OF TAX CUTS AND JOBS ACT (TCJA)**

1. Guidance on certain issues related to the business credit under §45S with respect to wages paid to qualifying employees during family and medical leave.
2. Guidance under §§101 and 1016 and new §6050Y regarding reportable policy sales of life insurance contracts.
3. Guidance under §162(m) regarding the application of the effective date provisions to the elimination of the exceptions for commissions and performance-based compensation from the definition of compensation subject to the deduction limit.
4. Guidance under §162(f) and new §6050X.
5. Computational, definitional, and other guidance under new §163(j).
6. Guidance on new §168(k).
7. Computational, definitional, and anti-avoidance guidance under new §199A.
8. Guidance adopting new small business accounting method changes under §§263A, 448, 460, and 471.
9. Definitional and other guidance under new §451(b) and (c).
10. Guidance on computation of unrelated business taxable income for separate trades or businesses under new §512(a)(6).
11. Guidance implementing changes to §529.
12. Guidance implementing new §965 and other international sections of the TCJA. PUBLISHED 01/22/18 in IRB 2018-04 as NOT. 2018-07 (RELEASED 12/29/17)
13. Guidance implementing changes to §1361 regarding electing small business trusts.
14. Guidance regarding Opportunity Zones under §§ 1400Z-1 and 1400Z-2.
15. Guidance under new §1446(f) for dispositions of certain partnership interests. TO BE PUBLISHED 02/12/18 in IRB 2018-07 as NOT. 2018-08 (RELEASED 12/29/17)
16. Guidance on computation of estate and gift taxes to reflect changes in the basic exclusion amount.
17. Guidance regarding withholding under §§3402 and 3405 and optional flat rate withholding.
18. Guidance on certain issues relating to the excise tax on excess remuneration paid by “applicable tax-exempt organizations” under §4960.