



WRNewswire

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Republicans Say Tax Reform Deal Has Been Struck

Republican leaders said they have resolved the key differences between the House and Senate bills, and look set to deliver a tax reform bill to President Trump's desk before Christmas. A number of details from the conference committee were widely reported yesterday, though nothing is final and provisions could still change.

Below is the current status of provisions impacting the life insurance industry, as well as the key changes to the tax bill that are being widely reported. We will continue to advocate on our issues until the ink is dry on a final tax bill, and will keep you informed of the latest developments.

Life Insurance Provisions

COLI/BOLI

- While nothing new has been reported, we understand that the pro-rata rule from the Camp draft that would have negatively impacted the COLI/BOLI marketplace will not be included.

NQDC

- While nothing new has been reported, we understand that the deferred compensation provisions that would have virtually eliminated the market for NQDC plans will not be included.

Estate Tax

- Senate Position Will Be Adopted:
 - Doubles the estate tax, gift, and GST exemptions, but sunsets them on December 31, 2025. On January 1, 2026, the exemptions will return to current exemption levels, but they will be indexed for inflation. In other words, the \$5 million/\$10 million exemption levels established in 2010 would continue to be updated annually for inflation. So in 2026, the exemptions won't reset to \$5 million/\$10 million, but will be higher based on annual inflation adjustments from 2011-2025.

Corporate AMT

- Corporate AMT will be fully repealed

Carrier Reserves

- Senator Tim Scott's (R-SC) amendment making changes to the computation of life insurance reserves, company proration rules on DRD, and the capitalization of certain policy acquisition expenses will be included.
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Key Changes in Tax Bill - Reported

[Click here](#) for the details of the House and Senate bills.

- **Corporate Rate:** Raised to 21%, effective January 1, 2018
- **Individual Rates:** Top rate lowered to 37%
- **Passthrough Tax Rates:** Senate version will be accepted – however the deduction is reduced from 23% to 20%
- **Mortgage Interest:** Sets cap at \$750K, splitting difference between House and Senate bills
- **State and Local Taxes:** Sets a \$10K cap on deductions, though the deduction can be applied to both income taxes and property taxes—the original House bill only applied to property taxes
- **Individual Mandate:** The Senate provision will be accepted - full repeal of the mandate
- **Individual AMT:** The Senate provision was accepted, so the individual AMT is not fully repealed, but the exemptions are increased to \$500,000/\$1,000,000

News You Can Use



- [House, Senate Republicans Reach Deal on Final Tax Bill](#)
 - [GOP Eyes Raising Corporate Rate to 21%, Lowering Top Individual Tax Rate](#)
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- [Republicans Say They Have a Deal on Tax Bill](#)
- [Two Senate Republicans Balk at Lowering Top Tax Rate to 37%](#)



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