



# DECODING TAX REFORM

Advising the Advisor

Friday, 10 August 2018

## Bottom Line, Up Front



The Treasury Department released guidance, previewed yesterday in [AALU's Newswire](#), earlier this week concerning the 199A deduction for pass-through business owners created last year by the Tax Cuts and Jobs Act (TCJA). While details from the 184-page proposal continue to be reported in the press, clarification is expected on multiple lingering issues,

including which types of businesses qualify for the deduction and whether owners of multiple pass-through entities will be able to aggregate or split them up to access the full deduction.

**Stay tuned! AALU will provide deeper analysis of this guidance in the coming days. In the meantime, check out [AALU's Newswire with links to Treasury's release of this guidance](#).**

## Tax Reform 2.0

- [CBO: National debt could be twice the size of GDP by 2048 \(The Hill\)](#)

According to a new report by the Congressional Budget Office (CBO), extending the expiring provisions from the TCJA could push the national debt above 200% over the next 30 years. The CBO examined three scenarios under which expiring TCJA tax cuts are extended, one of which assumed Congress continues its recent pace of emergency spending, while the two others assumed Congress would adjust tax brackets to keep revenues aligned with historical levels.

## Tax Cut Effects

- [U.S. tax cuts prompt rethink by some 'inverted' companies \(Reuters\)](#)

Tax advisors say they have seen an uptick in clients asking about re-domesticating their businesses after previously moving them overseas. Executives at inverted companies say that there is less “friction” under the new tax regime, which would discourage “inverting”, the practice of moving companies to another country with more favorable tax laws. But some business leaders are still waiting to see how the

Treasury Department implements the new laws, as complications in how the new provision on Global Intangible Low Taxed Income was written could unintentionally push their rates higher.

## **Upcoming Events**

- **WIFS 2018 National Conference: Come see Suzy Jacobs, Senior Vice President of Business Development & Marketing, speak on the Leading the Way: An Industry Perspective panel.** October 24 - 26, 2018 | Use promo code **AALU18** when registering to receive the WIFS member rate. [Register Here](#)



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