

Framework Position	General API Position	Potential Questions
The framework reduces the corporate tax rate to 20%	Support	Will the rate reduction be permanent?
Aims to eliminate the corporate AMT	Support	
The committees also may consider methods to reduce the double taxation of corporate earnings	Potentially Support	Too many questions surrounding different proposals to make a definitive statement
The framework allows businesses to immediately write off (or “expense”) the cost of new investments in depreciable assets other than structures made after September 27, 2017, for at least five years.	Support	Need more clarification on whether this will follow current bonus rules and what happens to existing costs recovery provisions outside of MACRS
The committees may continue to work to enhance unprecedented expensing for business investments, especially to provide relief for small businesses	Potentially Support	Would this cover IDC and LIFO? Concern about treating similar taxpayers differently? Does the small business orientation mean that it will be focused on section 179?
The deduction for net interest expense incurred by C corporations will be partially limited.	Concern	Interest expense should be treated as any other business expense. What is the limitation amount relative to rate and cost recovery? Will the limitation be based on the type of company (large vs. small) or on the amount of debt or both?
The committees will consider the appropriate treatment of interest paid by non-corporate taxpayers.	No position	
Because of the framework’s substantial rate reduction for all businesses, the current-law domestic production (“section 199”) deduction will no longer be necessary.	Acknowledge	
In addition, numerous other special exclusions and deductions will be repealed or restricted.	Concern	Is this an effort to broaden the base on C Corps to even the disparity of rates btw C Corps and flow-thrus? Does this lead to differential tax treatment for similarly situated taxpayers or activities? Would this cover IDC and LIFO?

The framework explicitly preserves business credits in two areas where tax incentives have proven to be effective in promoting policy goals important in the American economy: research and development (R&D) and low-income housing.

While the framework envisions repeal of other business credits, the committees may decide to retain some other business credits to the extent budgetary limitations allow.

Special tax regimes exist to govern the tax treatment of certain industries and sectors. The framework will modernize these rules to ensure that the tax code better reflects economic reality and that such rules provide little opportunity for tax avoidance.

It will replace the existing, outdated worldwide tax system with a 100% exemption for dividends from foreign subsidiaries (in which the U.S. parent owns at least a 10% stake).

To transition to this new system, the framework treats foreign earnings that have accumulated overseas under the old system as repatriated. Accumulated foreign earnings held in illiquid assets will be subject to a lower tax rate than foreign earnings held in cash or cash equivalents. Payment of the tax liability will be spread out over several years.

The framework includes rules to protect the U.S. tax base by taxing at a reduced rate and on a global basis the foreign profits of U.S. multinational corporations.

The committees will incorporate rules to level the playing field between U.S.-headquartered parent companies and foreign-headquartered parent companies.

No position	
No position/Concern (?)	Is this energy credits that could present an uneven playing field to oil and natural gas?
Concern	Unknown as to what industries are meant to be covered by this and whether it makes oil and natural gas a target. Will the modernization of special tax rules include the elimination of industry specific punitive measures such as 907 and 954(g)? Is this targeting MLPs?
Support	Support 100% exemption system
Acknowledge with concern	Want to clarify how the repatriation calculation will take place in order to preserve company tax attributes. Want to confirm that FTCs (including carryover FTCs) are usable against the repatriation tax due. Want to confirm that there will be an OFL turnoff similar to H.R. 1.
Potential Concern	Generally do not support a minimum tax to address base erosion concerns except as a kickout threshold into qualifying dividend income. However there may be ways to mitigate any exposure
Concern	Does this represent an aggressive approach to the deductibility of all inbound expenses or is it limited in some fashion?

Not Addressed

Concern

1. LIFO accounting
2. IDC deduction
3. Branch treatment
4. MLP treatment
5. FTC carryovers