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## Finance Committee Announces Improvements to Senate Tax Bill

After robust discussions across the Senate Republican Conference, and because a revenue “trigger” does not comply with reconciliation rules, the Senate Finance Committee made further modifications to the underlying legislation to further reflect member priorities. The amendment was filed this evening. A full copy can be found [HERE](#).

These changes include:

- Additional tax relief for small business
- Additional support for expensing – a key driver of economic growth
- Property tax deduction for state and local governments (SALT) – that is in line with the House bill

### The changes do NOT include:

- Automatic tax increases
- Trigger

### Modifications include:

- A deduction up to \$10,000 in property taxes paid to state and local governments (SALT). This provision reflects the treatment of property taxes in the House-passed bill.
- Increasing the deduction for small business owners' qualified business income from 17.4 percent in the underlying bill to 23 percent.
- Extending 100 percent expensing for qualified business property by four more years, gradually decreasing over time, adding to the five years included in the underlying bill.
- Preserving existing business structure commonly referred as IC-DISC (Interest Charge Domestic International Sales Corporation). This will allow pass-through businesses to benefit from the international tax reforms included in the bill.
- Eliminating an Obamacare restriction on the deductibility of medical expenses. This will allow medical expenses to be deducted if they exceed 7.5 percent of a taxpayers' adjusted gross income, rather than the 10 percent threshold under current law.

- Maintaining existing contribution limits and rules for employees of tax-exempt and governmental organizations. The underlying bill included some restrictions on the way these employees could contribute to these plans.

The manager's package will also incorporate the policies from amendments that were filed to the bill. A full list of those amendments will be released later today.

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