

Publications

House Tax Reform Bill Unveiled

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After months of preparation, yesterday House Republican's unveiled the Tax Cuts and Jobs Act (the "House Bill"), the initial step in Congressional consideration of comprehensive tax reform legislation. If passed, the House Bill would provide for the most sweeping changes to the U.S. Tax Code since 1986. In addition to proposing reductions in individual and corporate tax rates, the House Bill proposes far-reaching changes to the taxation of executive and nonqualified deferred compensation and relatively minor changes to IRA and qualified retirement plan rules, clarifies that unrelated business income tax (UBIT) applies to state and local government plans, and changes the tax rules that apply to various types of fringe benefits provided to employees.

Notably, the House Bill does not contain changes to the tax incentives for retirement savings. The inclusion of limits on pre-tax contributions to 401(k) and other types of defined contribution plans through so-called "Rothification" had been under strong consideration for inclusion in the bill as a significant "revenue raiser" to offset the cost of individual rate cuts, but this provision was not included in the House Bill after the significant pushback by the Save Our Savings Coalition, an advocacy group founded and advised by Groom Law Group and Capital Counsel. For more information about the Coalition, visit SaveOurSavings.org.

As discussed below, we expect this language to change as the legislation winds its way through Congress. Below is a high level overview of where things stand today.

- [House Tax Reform Bill Unveiled](#)