

The T-C-JA

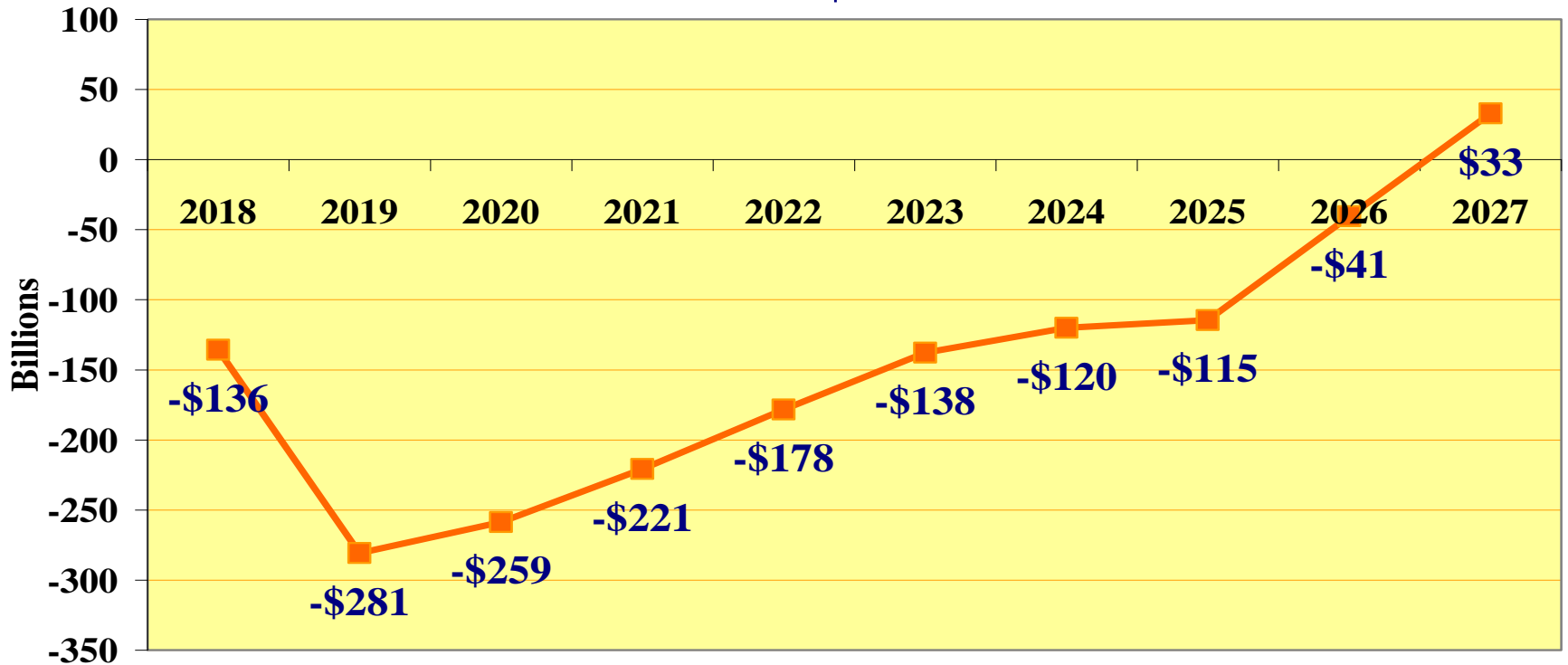
**2018 15th Annual NMTRI
Tax Policy Conference
Thursday, May 10, 2018
Hotel Albuquerque at Old Town**

**Martin A. Sullivan
Tax Analysts**



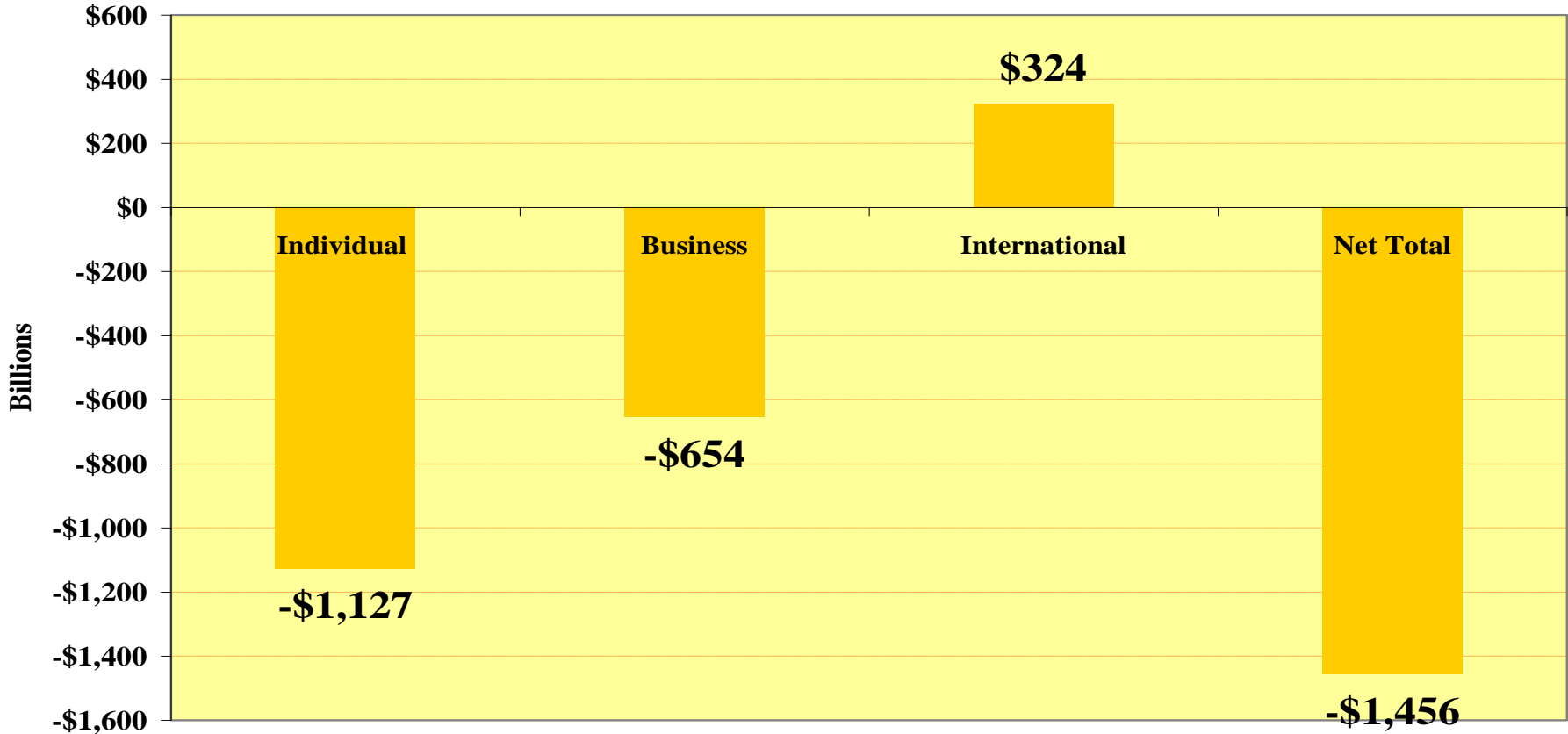
Coventional Revenue Estimates of Final Version of TCJA in Conference Report

10-Year Total: $-\$1.456$ Trillion



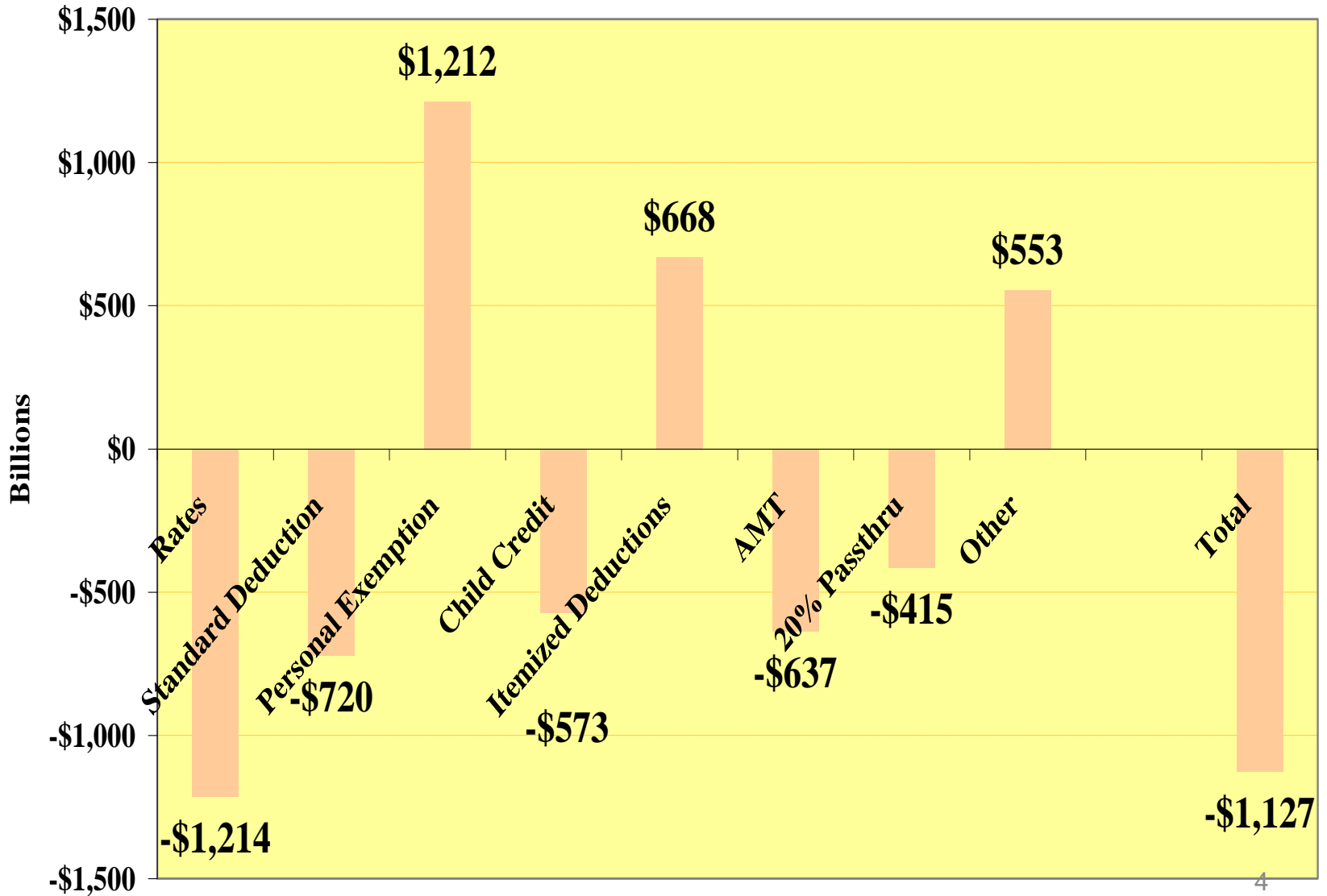
Source: Joint Committee on Taxation as reported in as reported in ‘House of Representatives, 115th Cong., 1st Sess., Report 115-[blank], ‘Tax Cuts and Jobs Act,’ released at 5:30 p.m., Dec.

Ten-Year Estimated Revenue Cost of Major Categories of Tax Provisions in TCJA



Source: House of Representatives, "Tax Cut and Jobs Act, Conference Report to Accompany H.R. 1," 115 Cong. 1st Sess., Report 115-466, pp. 683-692.

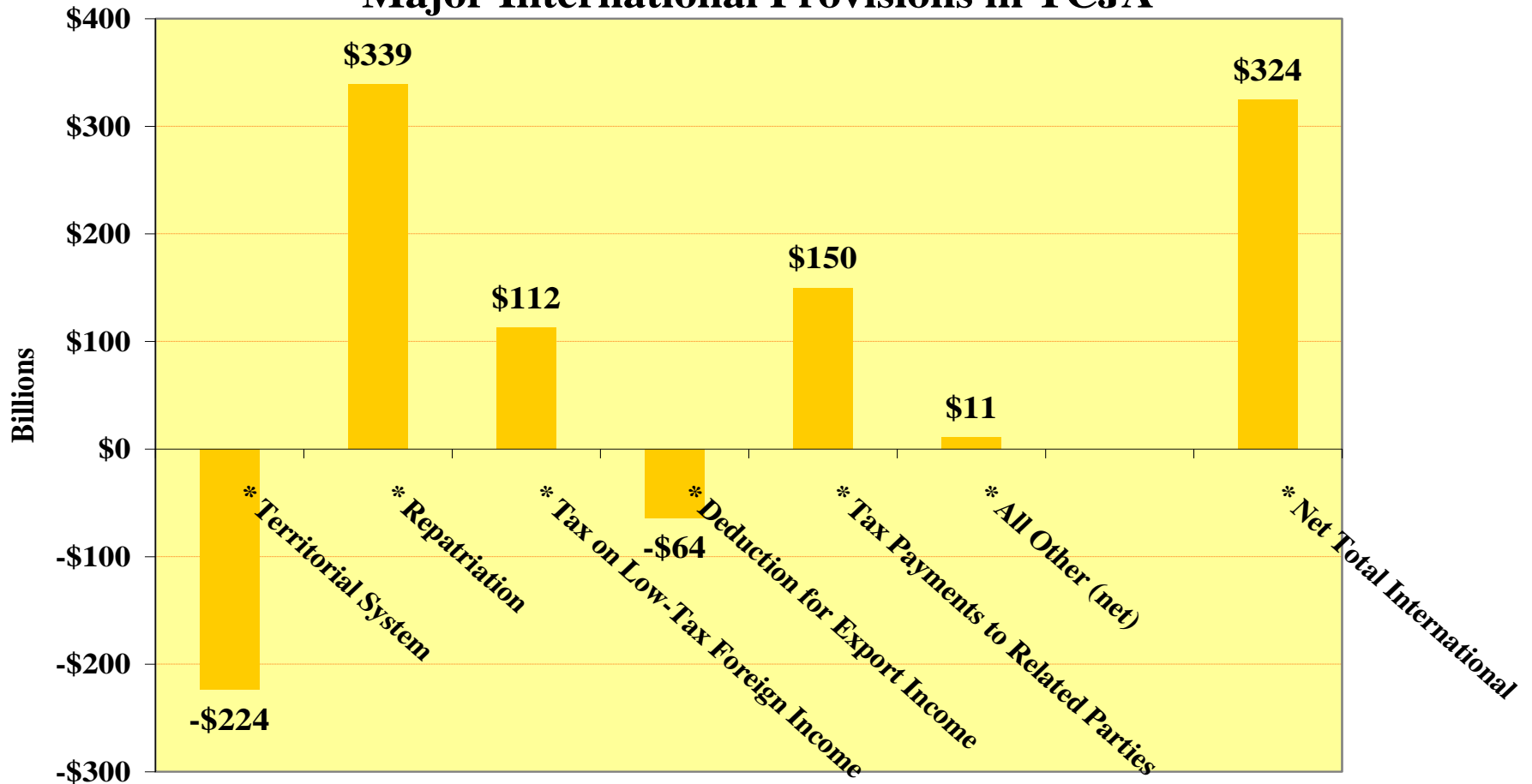
Ten-Year Revenue Cost of Major Individual Provisions in TCJA



Ten-Year Revenue Cost of Major Business Provisions in TCJA

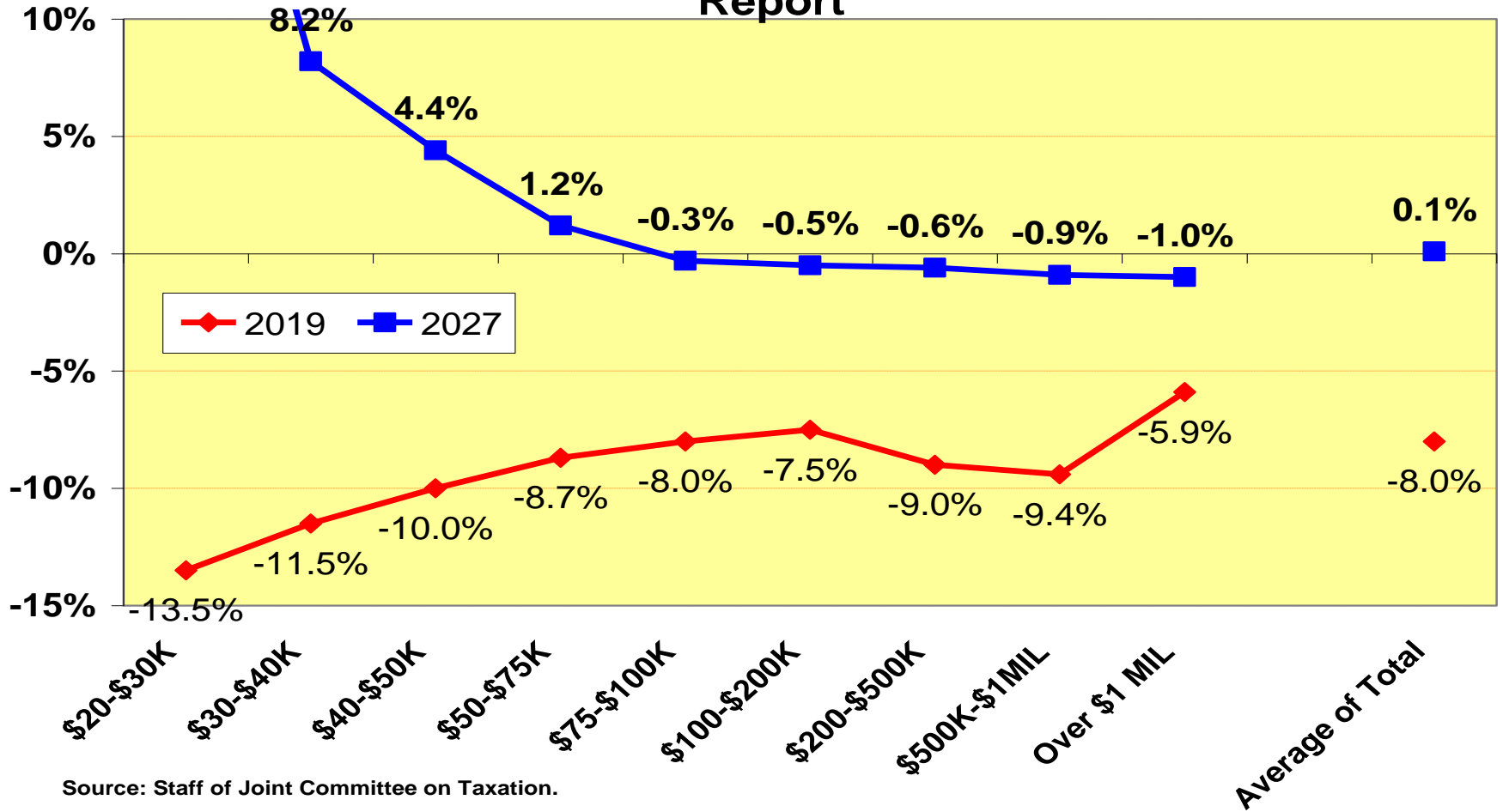


Ten-Year Estimated Revenue Cost of Major International Provisions in TCJA



Source: House of Representatives, "Tax Cut and Jobs Act, Conference Report to Accompany H.R. 1," 115 Cong. 1st Sess., Report 115-466, pp. 683-692.

Percentage Change in Federal Taxes, Conference Report

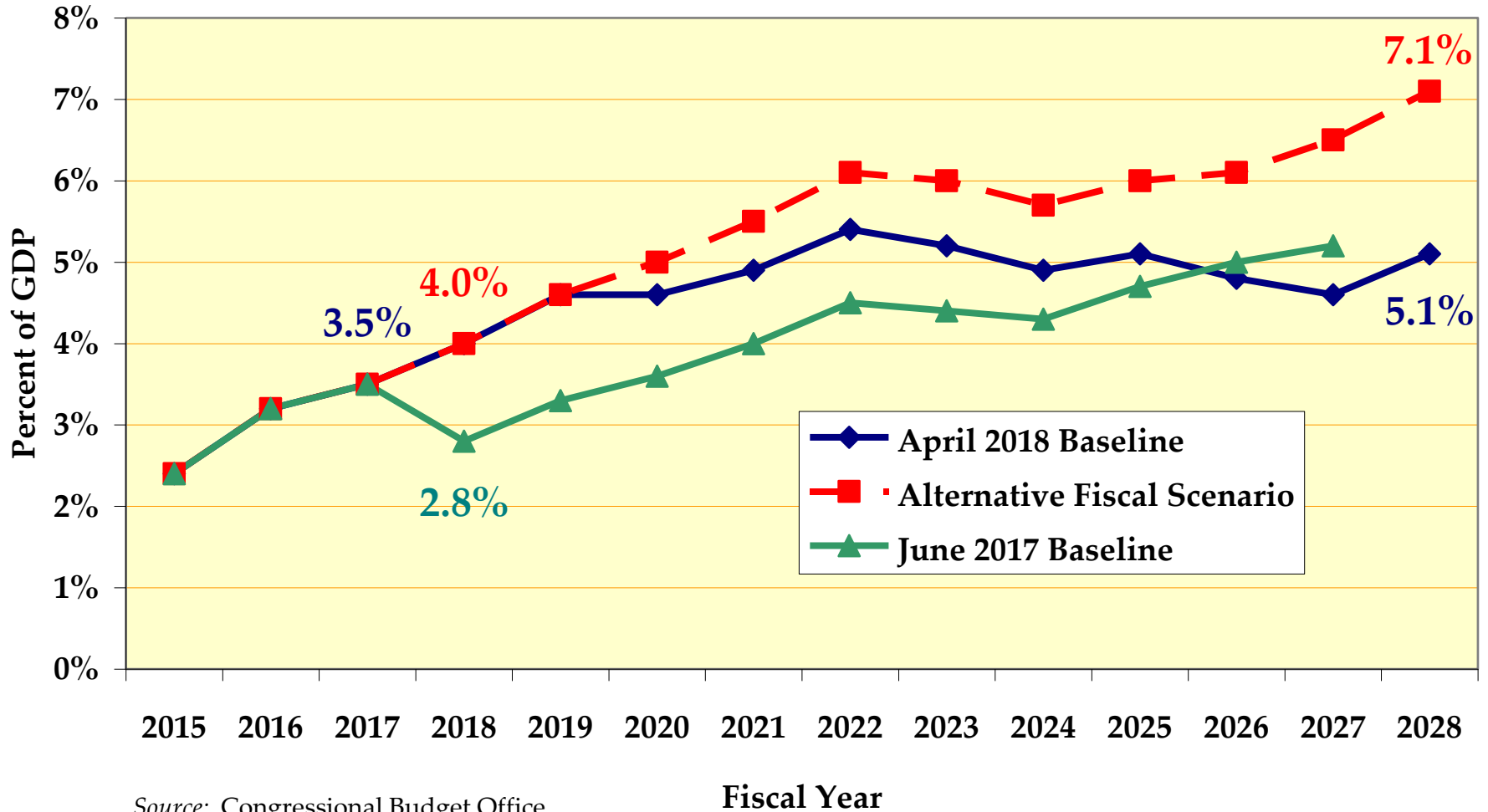


Source: Staff of Joint Committee on Taxation.

“Where Will the Factories Go?” (Preliminary assessment)

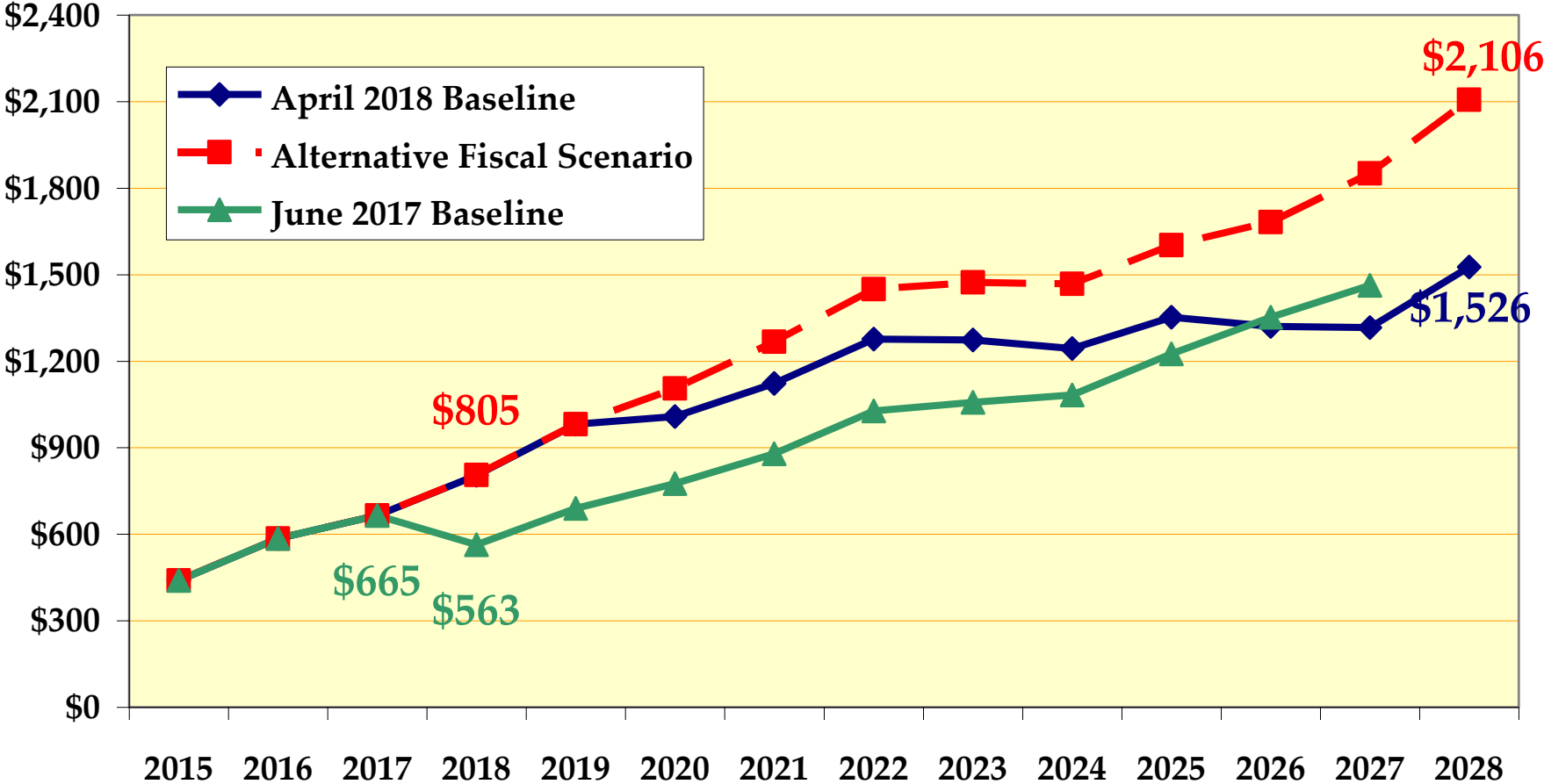
- **Plus:** Rate cut 14% (really 12.5% w/state and 199 repeal)
- **Plus:** Expensing (qualified property, esp. with marginal returns)
- **Minus:** Interest Limitations (esp. for private equity)
- **Plus:** FDII (for high-return exports)
- **Plus:** GILTI (discourages low-tax, high-return outbound capex)
- **Minus:** BEAT (discourages large inbound investment (with lots of loopholes and rough justice))
- **Minus:** Other rev raisers (NOLs limits, financial co. tax hikes)
- **Minus:** Tax competition lowers foreign rates
- ---
- **Net Positive** (average, with significant variation) for shifting capex to U.S. except for (large) inbound *compared to prior law*

**Figure 2. CBO Projections of Federal Deficit
As a Percentage of GDP**



Source: Congressional Budget Office.

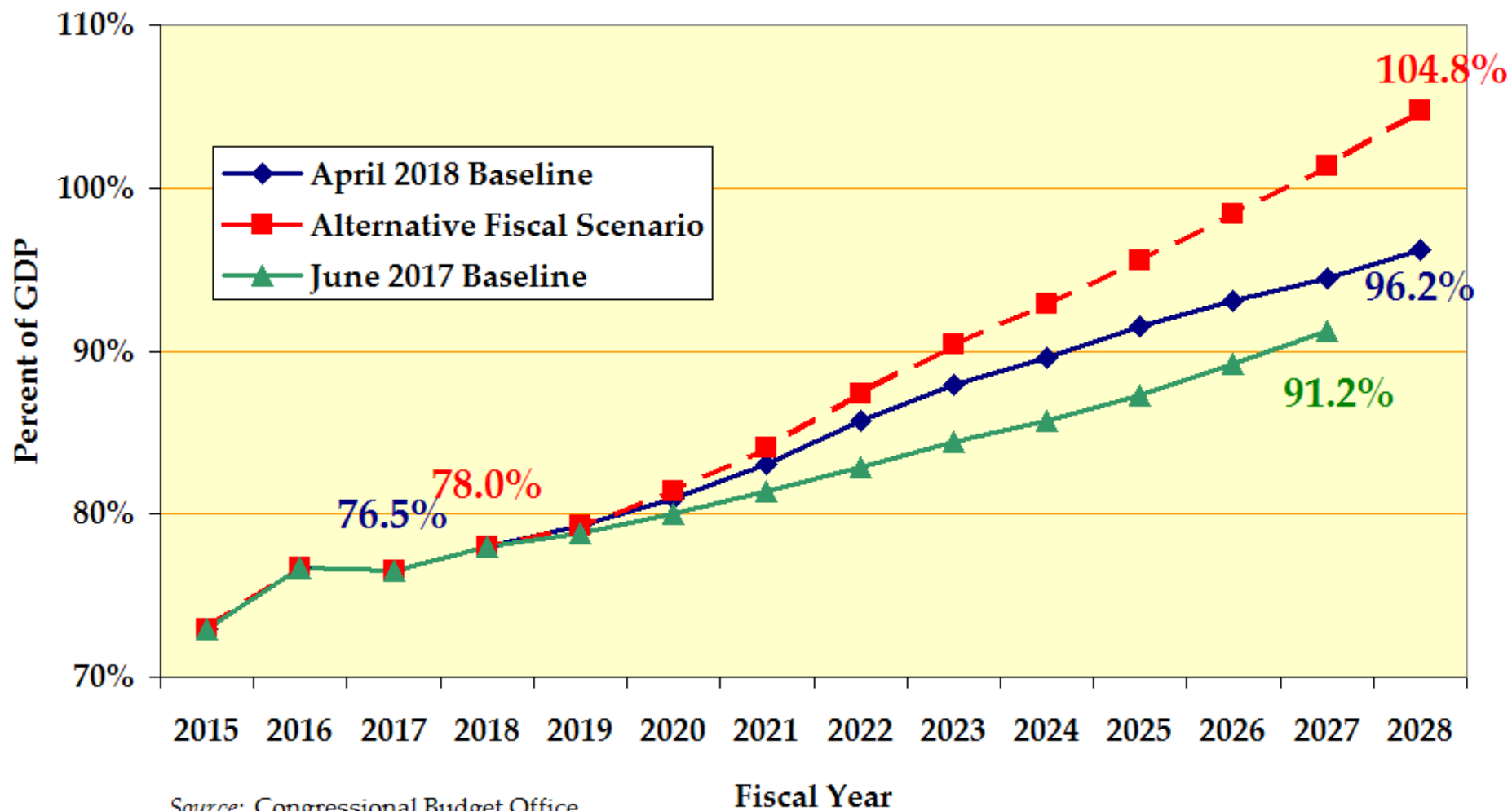
Figure 1. CBO Projections of Federal Deficit In Billions of Dollars



Source: Congressional Budget Office.

Fiscal Year

**Figure 3. CBO Projections of Net Federal Debt
As a Percentage of GDP**





Thanks for listening. Questions encouraged.