

**Summary Tax Cuts and Jobs Act - (12.19.2017)
Priorities of the Oil and Natural Gas Industry**

Provision	GOP Conference Legislation
Corporate Tax Rate and Effective Date	A permanent corporate rate of 21 percent, effective January 1, 2018.
Deductions/Tax Credits	No changes to key oil and gas deductions (IDC, percentage depletion, amortization of G&G costs).
Alternative Minimum Tax (AMT)	No corporate AMT.
Net Operating Losses (NOL)	For losses arising in tax years beginning after 2017, the NOL deduction would be limited to 80% of taxable income. For most industries, an indefinite carryforward would be allowed.
International Income	Modified territorial system with new anti-abuse tax.
Deemed Repatriation	15% rate for cash and 8% rate for earnings reinvested in hard assets, with an eight-year window to pay the tax.
Pass-Through Income	A reduction in the top individual rate (down from 39.6% to 37%) and a 20% deduction for manufacturers' business income. This deduction is subject to certain limitations.
Arctic National Wildlife Refuge (ANWR) Access	Authorizes lease sales in sections of ANWR.
R&D Tax Credit	Provides for R&D Tax Credit. After January 1, 2022, deductible research and experimental costs must be amortized over five years.
Property	Full expensing for property acquired between September 28, 2017 and December 31, 2022. Thereafter, the bonus depreciation percentage decreases by 20 points per year, phasing out entirely by 2027. Property eligible for bonus depreciation can be new or used.
Interest Deductibility	Caps deduction at 30% of income.