



## Structuring Business Transactions After the TCJA

The University of Texas School of Law  
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Michael P. Bresson

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## Overview of Topics Covered

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- Expanded Bonus Depreciation Rules
- New Section 163(j) Limitations on Interest Deductions
- Repeal of Partnership “Technical Termination” Rules
- No More Like-Kind Exchanges of Personal Property
- New NOL Carryover and Carryback Rules
- Topics Not Covered
  - Choice of Entity
  - Section 199A
  - International Taxation

# SECTION 01

## EXPANDED BONUS DEPRECIATION RULES

## Highlights of Changes to Bonus Depreciation

- Increased Bonus Depreciation Percentage
- Expanded to Used Property (But New to Taxpayer)
- August 8, 2018 Proposed Regulations
  - 120 pages of proposed guidance
  - Includes guidance on a variety of partnership issues
- Provides an Incentive for Asset Acquisitions (Including Partnership Interest Acquisitions)

# Increased Bonus Depreciation Percentage

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- Section 168(k)
  - Provides for bonus depreciation
  - Pre-TCJA rate was 50%, with gradual phase out
- TCJA Increased the Depreciation Rate
  - 100 percent for property placed in service after September 27, 2017 and before 2023
  - 80 percent for property placed in service in 2023,
  - 60 percent for property placed in service in 2024,
  - 40 percent for property placed in service in 2025, and
  - 20 percent for property placed in service in 2026

# Special Rules Regarding Applicable Rate

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- Phase Down for 2023 Through 2026 is Delayed One Year for Longer Production Period Property
- Reduced Rate for Property Acquired Before, and Placed In Service After, September 27, 2017
  - 50% for property placed in service in 2017
  - 40% for property placed in service in 2018
  - 30% for property placed in service in 2019
- Taxpayer May Elect to Use 50% Rate for Property Placed in Service Between September 27 and December 31, 2017

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Title search: Structuring Business Transactions After the TCJA

Also available as part of the eCourse

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First appeared as part of the conference materials for the  
66<sup>th</sup> Annual Taxation Conference session

"Structuring Business Transactions After the Tax Cuts and Jobs Act"