



**Gene Walborn**  
Director

# Montana Department of Revenue



**Steve Bullock**  
Governor

## Memorandum

To: Director Walborn  
From: Rose Bender  
Date: June 20, 2018  
Subject: Federal Tax Reform Corporate Estimate Updated

Montana's estimated change in corporate income tax revenue, by provision in H.R. 1, is shown below by tax year. Estimates for all the international provisions are de minimus.

Provision	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022	TY 2023	TY 2024	TY 2025	TY 2026	TY 2027
Increase expensing/bonus depreciation	(\$27.2)	(\$31.0)	(\$21.0)	(\$12.0)	(\$10.0)	(\$4.0)	\$3.0	\$7.0	\$10.0	\$11.0
Expansion of section 179 expensing	(\$0.5)	(\$0.9)	(\$0.5)	(\$0.3)	(\$0.2)	(\$0.2)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
Small business accounting method reform and simplification	(\$0.9)	(\$0.9)	(\$0.4)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)	(\$0.2)
Limit net interest deductions to 30% of adjusted taxable income, carryforward of denied deduction	\$1.0	\$2.0	\$2.3	\$2.3	\$2.9	\$3.5	\$3.4	\$3.7	\$4.0	\$4.3
Repeal like-kind exchanges except for real property	\$0.1	\$0.1	\$0.1	\$0.2	\$0.3	\$0.3	\$0.4	\$0.5	\$0.7	\$0.8
Applicable recovery period for real property	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.0)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
Repeal of deduction for income attributable to domestic production activities	\$0.5	\$1.0	\$1.1	\$1.1	\$1.1	\$1.2	\$1.2	\$1.3	\$1.3	\$1.4
Limitation on deduction by employers on expenses with fringe benefits	\$0.3	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.4	\$0.5	\$0.5
Accounting method changes	\$0.1	\$0.2	\$0.3	\$0.3	\$0.2	\$0.1	\$0.1	\$0.1	\$0.0	\$0.0
Amortization of research and expenditures	\$0.0	\$0.0	\$0.0	\$0.0	\$2.8	\$3.8	\$3.0	\$2.2	\$1.3	\$0.7
<b>Total</b>	<b>(\$26.7)</b>	<b>(\$28.9)</b>	<b>(\$17.7)</b>	<b>(\$8.3)</b>	<b>(\$2.8)</b>	<b>\$4.9</b>	<b>\$11.3</b>	<b>\$14.8</b>	<b>\$17.5</b>	<b>\$18.4</b>