



- **Corporate Tax.** Both the Senate and the House bills call for a reduction in the corporate tax rate to 20% (effective in 2018 in the Senate Bill and in 2019 in the House Bill).
- **Alternative Minimum Tax (AMT).** The House Bill repeals the corporate AMT, while the Senate Bill makes no change to it.
- **Deduction for dividends.** Both the Senate and the House bills reduce the corporate deduction for dividends received from less-than-80%-owned subsidiaries to reflect the lower corporate income tax rate.
- **Deductibility of interest expense.** Interest deductions would be capped at interest income earned plus 30% of annual adjusted taxable income (proxy for EBITDA for House Bill and EBIT for the Senate Bill). For businesses organized as partnerships, this limitation would be determined at the partnership level. Of note, interest deductions disallowed due to this limitation would be carried forward (indefinitely under the Senate Bill and for up to 5 years under the House Bill) but would remain subject to the overall calculation of the limitation on deductibility.
- **NOLs.** Under both bills companies lose the ability to carry back NOLs but would be allowed to carry forward NOLs indefinitely. Of importance, the House Bill increases the value of any unused NOLs by an interest factor to preserve their value. Further, both bills limit the ability of an NOL to reduce taxable income to 90% of taxable income. However, under the Senate Bill, this limit would be reduced to 80% beginning in 2023.
- **Immediate Expensing.** Both bills allow immediate expensing of 100% of the cost of qualified property (certain used property is included under the House Bill) placed in service before 2023 (2024 for property with a longer production period). Under the Senate Bill expensing is phased out 20% per year beginning with property placed in service in 2024 (2025 for property with a longer production period).

Looking into individual taxes, we note that the House bill proposes four tax rates, while the Senate bill calls for seven rates. Of importance, the rate changes in the Senate bill would expire after 2025, while the House bill proposes permanent changes. For further details, please refer to the exhibit below.

Exhibit 3: House Bill

Rate	Joint	Individual
12.0%	\$0 - \$90K	\$0 - \$45K
25.0%	\$90K - \$260K	\$45K - \$200K
35.0%	\$260K - \$1MM	\$200K - \$500K
39.6%	+\$1MM	+\$500K

Source: Bloomberg Finance LP and Deutsche Bank

Exhibit 4: Senate Bill

Rate	Joint	Individual
10.0%	\$0 - \$19K	\$0 - \$10K
12.0%	\$19K - \$77K	\$10K - \$39K
22.0%	\$77K - \$140K	\$39K - \$70K
24.0%	\$140K - \$320K	\$70K - \$160K
32.0%	\$320K - \$400K	\$160K - \$200K
35.0%	\$400K - \$1MM	\$200K - \$500K
38.5%	+\$1MM	+\$500K

Source: Bloomberg Finance LP and Deutsche Bank

With regards to the standard deduction, we note that the House Bill increased the current amount to \$24,400 for married couples filing jointly, to \$12,200 for single filers and to \$18,300 for heads-of-households. The Senate bill increased the standard deduction to slightly lower amounts, but on a temporary basis. Lastly, we note that both bills would also modify some individual credit and deductions related to mortgage interest, state and local income taxes (SALT), and medical expenses.

Supply — What Is Coming to the Market? Several years post the downturn, gaming supply is still being added to regional markets, as tax-starved lawmakers act to defend gaming taxes moving from their state coffers to their neighbors'. While incremental supply tends to be good for new entrants, it is