

State Bar of Michigan  
Taxation Section

Tax Highlights

Mission: Tax Highlights is a summary of selected income, estate and gift legislative and regulatory tax developments of general interest. This is not a comprehensive reporter of all tax developments. YOUR input is welcome. You can submit proposals for topics to include by sending a message to Sean Cook at scook@wnj.com.

Current Hot Issues Being Followed

- IRS now on Instagram @IRSnews
- 199A Guidance: Proposed Rulemaking released on August 16, 2018 (see below)
- Meals and Entertainment Guidance: Notice (see below)
- Opportunity Zone Guidance: Rev. Rul. 2018-19; Proposed Rulemaking (see below)
- *Wayfair* Decision Guidance: R.A.B. 2018-16
- Michigan: Illegal Activities: Notice dated September 12, 2018
- Michigan's Adoption of the Tax Cuts and Jobs Act of 2017: Notice dated July 2, 2018 regarding repatriation, Base Erosion Anti-Abuse Tax and Global Intangible Low Tax Income; Michigan Department of Treasury Update 11/01/2018
- New revenue recognition rules Rev. Proc. 2018-29
- Centralized Partnership Audit Regime Notice 2019-6, 2019-3 IRB

Proposed Tax Legislation

Federal	Michigan
H.R. 7227, the "Taxpayer First Act"	HB 5913 (2018): Sales tax – tax exempt status for 501(c)(19) organizations
	HB 6550 (2018): Use tax – purchase of certain aviation equipment - exemption
	HB 6549 (2018): Sales tax – purchase of certain aviation equipment - exemption
	HB 6433 (2018): Individual tax- credit for donation to certain charitable organizations
	HB 6434 (2018): Individual tax- credit for donation to a community foundation
	HB 6485 (2018): Individual tax- elimination of income and expenses of producing oil and gas
	HB 4412 (2018): Tax Tribunal Reform
	HB 5025 (2017): Individual tax – Withholding tax refunds for unpaid city taxes administered by the state
	HB 4618 (2017) Individual tax –

	Modification to city income tax administration by the state
	HB 4926 (2017) Gaming – allow and regulate
	SB 0703-0707 (2018): Taxation- convention and tourism promotion act
	SB 0304 (2017): Cigarette tax
	SB 0511 (2017): Individual income tax – First time home buyer savings program act
	SB 0512 (2017): Individual income tax – Tax incentive for contributions made to first time home buyers program
	SB 1097 (2018): Corporate Income Tax Interest Expense Deduction
	SB 1170 (2018): Taxation of Flow through entities

Final Federal Tax Regulations Issued

TD	Primary Code Section	Description	Date Issued
9843	263A	Simplified Method Cost Allocation	11/29/2018
9844	6221, et al	Centralized Partnership Audit Regime	12/21/2018

Notices of Proposed Rulemaking - TCJA and other 2018 highlights Vol. 83 (2018)

No.	Date	Description
113604-18		Sale of Partnership Interests under 846
	12/28/2018	Rules re Hybrid Arrangements under 245A
245	12/21/2018	Base Erosion and Anti-Abuse Tax
242	12/18/2018	Reducing Burden under FACTA and Chapter 3
235	12/07/2018	Foreign Tax Credit
AAA	11/26/2018	Business Interest Expense
226	11/23/2018	Estate and Gift Tax Exclusion “Clawback”
214	11/05/2018	Controlled Foreign Corporation
209A	10/29/2018	Qualified Opportunity Fund
196	10/10/2018	Global Intangible Low Tax Income (GILTI)
185	9/24/2018	Debt-Equity: Removal of Documentation
166	8/27/2018	Contributions: State and Local Tax Credits

160B	8/17/2018	Centralized Partnership Audit Regime
159	8/16/2018	Qualified Business Income Deduction
154	8/09/2018	Repatriation Tax
153	8/08/2018	Additional First Year Depreciation
138	7/18/2018	Preparer Due Diligence
113	6/12/2018	Arbitrage Restrictions on Tax Exempt Bonds
32	2/15/2018	Eliminating Unnecessary Regulations

Notices – TCJA

No.	Date	IRC Section/Topic
		Excess Business Loss/NOL
2019-1	12/14/2018	959/Previously Taxed E&P
2018-100	12/10/2018	6655
2018-99	12/10/2018	274
2018-97	12/07/2018	83(i)(2)(c)
2018-76	10/03/2018	274
2018-67	08/21/2018	512(a)(6)

Revenue Rulings and Procedures – TCJA

Citation	IRB/CB	IRC Section
Rev Proc 2019-8	2019-3 IRB	179, 168, 163(j)
Rev Proc 2018-59		163(j)
Rev Proc 2019-10	2019-2 IRB	807(f)
Rev Proc 2019-6	2019-2 IRB	846