

House Republicans Propose Tax Reform: Impact on Long-Term Contracts and Industry Changes

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Yesterday, the House Republicans released their proposal for tax reform. The House Bill proposes to increase the \$10 million average gross receipts exception to the requirement to use the percentage-of-completion accounting method for long-term contracts to \$25 million for tax years beginning in 2018. Businesses that meet such exception would be permitted to use the completed-contract method (or any other permissible exempt contract method).

There are many more proposed law changes that could significantly impact the construction, architecture, and engineering industries. We will monitor how these changes evolve over the coming months and keep you apprised of potential impacts. For more information, feel free to contact your Anchin Relationship Partner.