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Senate GOP Releases Better Care Reconciliation Act of 2017

The [Better Care Reconciliation Act of 2017 \(BCRA\)](https://www.budget.senate.gov/imo/media/doc/SENATEHEALTHCARE.pdf) (https://www.budget.senate.gov/imo/media/doc/SENATEHEALTHCARE.pdf), intended to replace the Affordable Care Act (ACA), was released by Senate Republicans. The BCRA repeals most of the ACA's taxes and coverage mandates, expands health savings accounts, and provides a tax credit for purchasing insurance coverage. Similar to what is in the House proposal, the individual and employer mandate penalties are retroactively repealed, the Cadillac tax is delayed until 2026, and the health insurance tax and the 3.8 percent net investment income tax are repealed. The Senate proposal, unlike the House proposal, repeals limitations on flexible spending accounts and delays the repeal of the medical device tax and the tax on prescription medications. A summary of the BCRA is available [here](https://www.budget.senate.gov/imo/media/doc/Section%20by%20Section%20Summary%20BCRA.6.26.17.pdf) (https://www.budget.senate.gov/imo/media/doc/Section%20by%20Section%20Summary%20BCRA.6.26.17.pdf). On Monday, June 26, the Congressional Budget Office and Joint Committee on Taxation released their [estimate](https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/52849-hr1628senate.pdf) (https://www.cbo.gov/system/files/115th-congress-2017-2018/costestimate/52849-hr1628senate.pdf) of the direct spending and revenue effects of BCRA. They estimated that the BCRA would reduce the cumulative federal deficit over the 2017-2026 period by \$321 billion, which is \$202 billion more than the estimated net savings for the House proposal. The CBO and JCT also noted that the Senate proposal would increase the number of people who are uninsured by 22 million in 2026 relative to the number under current law, slightly fewer than the increase in the number of uninsured estimated for the House proposal.

Partnership's Income From Processing Natural Gas Is Qualifying Income

In [Private Letter Ruling 201724024](https://www.irs.gov/pub/irs-wd/201724024.pdf) (https://www.irs.gov/pub/irs-wd/201724024.pdf), the IRS ruled that gross income derived by a limited partnership from the construction of interconnect points with its transportation systems and from expanding transportation assets and processing facilities for natural gas, natural gas liquids and crude oil for use in the limited partnership's performance of Section 7704(d)(1)(E) activities constitutes qualifying income under Section 7704(d)(1)(E). (Section references are to the Internal Revenue Code of 1986, as amended.) The IRS also concluded that the income derived by the limited partnership from the receipt of management fees and reimbursement income for operating transportation or processing assets owned by third parties or through joint ventures to which the limited partnership is a party constitutes qualifying income under Section 7704(d)(1)(E).

Extension Granted to Treat Company as Taxable REIT Subsidiary

In [Private Letter Ruling 201724017](https://www.irs.gov/pub/irs-wd/201724017.pdf) (https://www.irs.gov/pub/irs-wd/201724017.pdf), the IRS ruled that a real estate investment trust (REIT) satisfied the requirements for granting a reasonable extension of time to elect under Section 856(l) to treat a limited liability company indirectly owned by the REIT as a taxable REIT subsidiary of the REIT. The REIT was the preferred equity member

of a limited liability company which wholly owned the limited liability company to be treated as a taxable REIT subsidiary.

IRS Releases 2017 FATCA Notifications User Guide

The IRS released the [2017 FATCA International Compliance Management Model \(ICMM\) Notifications User Guide](https://www.irs.gov/pub/irs-pdf/p5189.pdf) (https://www.irs.gov/pub/irs-pdf/p5189.pdf), which includes detailed explanations about the potential notifications filers will receive in response to the files they submit via the International Data Exchange System. It focuses on the meaning of each possible notification and the steps that should be taken to address the issue(s) identified by the notification. .

IRS Releases Practice Unit on International Info Return Penalties

The IRS released an [international practice unit](https://www.irs.gov/pub/int_practice_units/iga_c_17_03_01_02.pdf) (https://www.irs.gov/pub/int_practice_units/iga_c_17_03_01_02.pdf) on the meaning of “substantially complete,” with reference to international information return penalties under Sections 6038, 6038A and 6046.



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