

Publications

View from Groom: House Tax Bill Would Radically Curtail Executive Compensation

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On November 2nd, House Republicans released the Tax Cuts and Jobs Act (the “House Bill”), a comprehensive proposal to reform Federal tax law, including radical changes to executive compensation practices. If passed, the House Bill would (i) eliminate nonqualified deferred compensation plans and severely limit the use of stock options, (ii) reduce the amount of deductible compensation paid to certain senior executives, and (iii) impose an excise tax on excessive compensation paid to top employees at tax-exempt organizations. As described in the article, these executive compensation changes are so far-reaching that every employer should pay close attention to them and the impact they would have on their compensation arrangements if tax reform winds up passing in something like its present form.

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