



# TaxNewsFlash

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## Proposed regulations: Deduction for employee remuneration in excess of \$1 million

The U.S. Treasury Department and IRS this afternoon released for publication in the Federal Register proposed regulations (REG-122180-18) concerning provisions under section 162(m) that limit the deduction for certain employee remuneration in excess of \$1 million for federal income tax purposes.

The [proposed regulations](#) [PDF KB] (36 pages as published in the Federal Register) are intended to implement changes made to section 162(m) by the 2017 tax law (Pub. L. No. 115-97)—the legislation that is often referred to as the “Tax Cuts and Jobs Act.”

The preamble to the proposed regulations states that these rules were developed after consideration of comments made in response to an IRS notice (Notice 2018-68). Read a KPMG report about that IRS notice: [TaxNewsFlash](#)

A public hearing on the proposed regulations has been set for March 9, 2020. Comments or topics to be discussed at the public hearing are due February 18, 2020.

The purpose of this report is to provide text of the proposed regulations. A more detailed discussion will be provided in a follow-up report from KPMG.

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