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Final regulations: Deduction for employee remuneration in excess of \$1 million (text of regulations)

The IRS today posted to its website a version of final regulations (T.D. 9932) 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 [final regulations](#) [PDF 507 KB] (109 pages) 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 version of the final regulations posted by the IRS today includes the following statement:

This document will be submitted to the Office of the Federal Register (OFR) for publication and will be pending placement on public display at the OFR and publication in the Federal Register. The version of the final regulations released today may vary slightly from the published document if minor editorial changes are made during the OFR review process. The document published in the Federal Register will be the official document.

Proposed regulations under section 162(m) were published in the Federal Register in December 2019. Read KPMG’s initial impressions about the proposed regulations: [TaxNewsFlash](#)

According to the preamble, today’s release finalizes the proposed regulations with modifications in response to certain comments and testimony.

The purpose of this report is to provide text of the final regulations.

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