



Tax Cut and Jobs Act - Federal Income Tax Changes

Tax Brackets

	2017			2018	
	Individual	Joint		Individual	Joint
10%	\$0 - \$9,325	\$0 - \$18,650	10%	\$0 - \$9,525	\$0 - \$19,050
15%	\$9,326 - \$37,950	\$18,651 - \$75,900	12%	\$9,526 - \$38,700	\$19,051 - \$77,400
25%	\$37,951 - \$91,900	\$75,901 - \$153,100	22%	\$38,701 - \$82,500	\$77,401 - \$165,000
28%	\$91,901 - \$191,650	\$153,101 - \$233,350	24%	\$82,501 - \$157,500	\$165,001 - \$315,000
33%	\$191,651 - \$416,700	\$233,351 - \$416,700	32%	\$157,501 - \$200,000	\$315,001 - \$400,000
35%	\$416,701 - \$418,400	\$416,701 - \$470,400	35%	\$200,001 - \$500,000	\$400,001 - \$600,000
39.6%	\$418,401 +	\$470,700 +	37%	\$500,000 +	\$600,000 +

Qualified dividends and capital gains tax rates will depend on income.

Alternative Minimum Tax

Exemption Phaseout	2017	2018
Individual	\$120,700	\$500,000
Joint	\$160,900	\$1,000,000

Standard Deduction

Filing Status	2017	2018
Individual	\$6,350	\$12,000
Joint	\$12,750	\$24,000

Personal Exemptions

2017	2018
\$4,050 for each taxpayer and claimed dependent	Exemptions Repealed

SALT

2017	2018
Taxes paid to state and local governments are 100% deductible	Up to \$10,000 of taxes paid to state and local governments deductible including real estate taxes

Child & Dependent Tax Credit

Dependent	2017	Phaseout	2018	Phaseout
Child Dependent (under 17)	\$1,000	\$75,00 Individual \$110,000 Joint	\$2,000 \$1,400 is refundable	\$200,00 Individual \$400,000 Joint
Non-child Dependent	N/A	N/A	\$500	



Mortgage Interest

	Loan Issued Up to 12/15/2017	Loan Issues After 12/15/2017
Primary Residence and 2nd Home Mortgage Interest	Able to deduct interest on \$1,000,000 combined loan value	Able to deduct interest on \$750,000 combined loan value
HELOC Interest	Able to deduct interest on up to \$100,000 loan	Deduction Repealed



Medical Expenses

	2017 & 2018	2019
	Able to deduct eligible medical expenses exceeding 7.5% of AGI	Able to deduct eligible medical expenses exceeding 10% of AGI



Alimony

	2017 & 2018	2019
Ex-spouse who is ordered to pay	Court ordered payments are 100% deductible	Deduction Repealed
Ex-spouse who receives payments	All payments received must be reported as income	Payments are received tax-free



ACA Mandate

	2017 & 2018	2019
Qualified Health Care Coverage	REQUIRED Penalty for non-compliance	Mandate Repealed



529 Plans

2017	2018
Able to use 529 plan assets for college and secondary education ONLY	<ul style="list-style-type: none"> ➤ NEW ability to use up to \$10,000 a year for K-12 ➤ Able to use for college / secondary education ➤ NEW ability to rollover 529 to ABLE account



Misc. Expenses

2017	2018
Misc. deductions for business expenses and professional fees that exceeded 2% of AGI	Deductions Repealed



Pass Through Income

2017	2018
Pass through income taxed at taxpayer's marginal tax rate	20% deduction, then pass through at marginal tax rate



Estate Tax

2017	2018
\$5.49 million exemption per individual	\$11 million exemption per individual



NO Changes:

- Elderly / Disabled Taxpayer Credit
- American Opportunity Act Credit
- Lifetime Learning Credit
- Credit for Plug-in Electric Cars
- Student Loan Interest Deduction
- Qualified Educator Deduction
- Dependent Care Flexible Savings Accounts
- Net Investment Income Taxation



2017 IRA Deductions / Contributions

Traditional:

Filing Status	If your income is	You can make and deduct the following contribution from your 2017 AGI
Individual	Less than \$62,000	\$5,500 if you under 50 \$6,500 if you 50 or older
	\$62,000 - \$72,000	Partial Deduction
	Greater than \$72,000	No Deduction Allowed
Married Filing Jointly	Less than \$99,000	\$5,500 each if you under 50 \$6,500 each if you 50 or older
	\$99,000 - \$119,000	Partial Deduction
	Greater than \$119,000	No Deduction Allowed

ROTH:

Filing Status	If your income is	You can make the following Contribution
Individual	Less than \$118,000	\$5,500 if you under 50 \$6,500 if you 50 or older
	\$118,000 - \$133,000	Partial Contribution
	Greater than \$133,000	No Contribution Allowed
Married Filing Jointly	Less than \$186,000	\$5,500 each if you under 50 \$6,500 each if you 50 or older
	\$186,000 - \$196,000	Partial Contribution
	Greater than \$196,000	No Contribution Allowed