

## 2018 Tax Update

### Individual Changes for 2018:

#### Itemized Deductions vs. Standard Deduction

##### Increase of Standard Deduction

##### Single Individuals:

##### Taxable Income:

Not over \$9,525

\$9,525 - \$38,700

\$38,700 - \$82,500

\$82,500 - \$157,500

\$157,500 - \$200,000

\$200,000 - \$500,000

Over \$500,000

##### Income Tax Equals:

10% of taxable income

\$952.50 plus 12% excess over \$9,525

\$4,453.50 plus 22% excess over \$38,700

\$14,089.50 plus 24% excess over \$82,500

\$32,089.50 plus 32% excess over \$157,500

\$45,689.50 plus 35% excess over \$200,000

\$150,689.50 plus 37% excess over \$500,000

##### Married Filing Joint:

Not over \$19,050

\$19,050 - \$77,400

\$77,400 - \$165,000

\$165,000 - \$315,000

\$315,000 - \$400,000

\$400,000 - \$600,000

Over \$600,000

10% of taxable income

\$1,905 plus 12% excess over \$19,050

\$8,907 plus 22% excess over \$77,400

\$28,179 plus 24% excess over \$165,000

\$64,179 plus 32% excess over \$315,000

\$91,379 plus 35% excess over \$400,000

\$161,379 plus 37% excess over \$600,000

##### Head of Household:

Not over \$13,600

\$13,600 - \$51,800

\$51,800 - \$82,500

\$82,500 - \$157,500

\$157,500 - \$200,000

\$200,000 - \$500,000

Over \$500,000

10% of taxable income

\$1,360 plus 12% excess over \$13,600

\$5,944 plus 22% excess over \$51,800

\$12,698 plus 24% excess over \$82,500

\$30,698 plus 32% excess over \$157,500

\$44,298 plus 35% excess over \$200,000

\$149,298 plus 37% excess over \$500,000

##### Estates and Trusts:

Not over \$2,550

\$2,550 - \$9,150

\$9,150 - \$12,500

Over \$12,500

10% of taxable income

\$255 plus 24% excess over \$2,550

\$1,839 plus 35% excess over \$9,150

\$3,011.50 plus 37% excess over \$12,500

Zero Exemptions      Previously \$4,050 per dependent on tax return

Itemized Deduction Changes

\$10,000 maximum state and local plus real estate tax deduction

No unreimbursed employee work expense

    Mileage, uniform, office use of home, dues

No investment expenses

No lawyer fees

No tax preparation fees

Increase in Gambling expenses/losses

Repeal of personal casualty and theft loss  
Change of home equity interest expense

**Increase Child Tax Credit**

**Deduction for qualified tuition and related expenses - repealed**  
**No moving expense except certain military**

**Increase in net pay at work could mean smaller refund or tax due at year-end**

**Review Estate Plans**                      **Exemption 10 Million Dollars**

**IRA Contributions 2018**

**Roth IRA Conversions**

**Contributions for H.S.A. 2018**

**Health Insurance Penalty still in effect**

**No Capital Gain Change**

**Exclusion of debt discharged on principal residence - repealed**

**Increase Income before AMT**

**Some Heat Efficiency credits gone**

**Fuel Cell, Small Wind, & Geothermal Heat pumps possible up to 30% credit**

**Business Changes**

**C-Corporations**                      **New 21% tax rate**

**Other Business Entities**

Possible new 20% credit for businesses with W-2 Wages  
Depreciation Changes                      Qualified Improvements  
199A  
Section 179 and 179D  
Bonus  
Interest Expense Limitations  
Meals and Entertainment Changes  
No Entertainment Deductions  
Changes of Fringe Benefits for Employees  
NOL carryforward limitations  
Like-Kind Exchange Changes  
Many items indexed for inflation

**2019 Changes**                      (Currently)

**No Alimony income or expenses on tax return**

**ACA Health Insurance penalty gone**

**Medical Expenses for Itemized Deduction - amount over 10% of AGI**

**This is not an inclusive list - please see your tax preparer!**