

1. Changes are generally in effect beginning 1/1/2018; most are temporary and will sunset after 2025
2. While the Form 1040 is significantly collapsed in its size (e.g. the “postcard”), there are at least 6 new schedules that may need to be attached to income tax returns
3. Disclosures for various credits (Head of Household, Earned Income Credit, Child Tax Credit, Tuition Credits, etc.) that will require additional documentation and tax payer representation.
4. The following table summarizes the new brackets:

Rate	Single Taxable Income Over	Married Jointly Taxable Income Over	Head of Household Taxable Income Over
10%	\$0	\$0	\$0
12%	\$9,525	\$19,050	\$13,600
22%	\$38,700	\$77,400	\$51,800
24%	\$82,500	\$165,000	\$82,500
32%	\$157,500	\$315,000	\$157,500
35%	\$200,000	\$400,000	\$200,000
37%	\$500,000	\$600,000	\$500,000

5. No dependent exemption
6. Higher Child Tax Credit (\$2,000)
7. Standard deduction increases to \$12,000 for Single and \$24,000 for Married Filing Jointly
  - a. Repeal of overall limitation on Itemized Deductions
  - b. Medical deduction threshold of 7.5% (increases to 10% in 2019)
  - c. Mortgage interest limited to \$750,000 of debt (debt prior to 12/31/2017 is grandfathered)
  - d. State and local tax deduction limited to \$10,000 (\$5,000 if MFS)
  - e. No miscellaneous deductions (e.g. unreimbursed employee expenses, tax prep, investment fees/expenses, etc.)
8. AMT *not* repealed; but higher exemptions
9. Dividend and capital gain rates unchanged (0%, 15%, 20%)
10. EXPIRED PROVISIONS
  - a. Exclusion of discharge of debt on personal residence
  - b. Deduction of Mortgage Insurance Premiums
  - c. Above-the-line deduction for Qualified Tuition and Fees
  - d. Credits for Qualified Energy Property
11. New 20% pass-through deduction for Qualified Business Income – there are significant limitations and phase outs that require more computations.
12. Affordable Care Act penalty repealed for **2019** and forward. Still in effect for 2018.
13. Net Investment Income Tax is not changed; but investment fees and state income tax will reduce investment income to lower NIIT
14. Ability to recharacterize a Roth conversion to a traditional IRA is removed
15. 2018 gift tax exclusion is \$15,000
16. Alimony deduction/inclusion is repealed for divorces executed or modified after 12/31/2018
17. Moving expense deduction repealed
18. Kiddie tax now at trust/estate tax rates