

# 2018 TAX CUTS AND JOBS ACT









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## INDIVIDUAL TAXES

### COMPARISON OF TAX CUTS AND JOBS ACT (H.R.1) AND PRIOR LAW

DESCRIPTION	PRIOR LAW	H.R. 1	Effect
	2017	2018	
 Individual Rates	10, 15, 25, 28, 33, 35, 39.6%	10, 12, 22, 24, 32, 35, 37%	+
 Child Tax Credit	\$1,000 (refundable up to \$1,000)	\$2,000 (refundable up to \$1,400)	+
 Personal Exemptions	\$4,050	Repealed	-
 Standard Deduction	MFJ: \$12,700 S: \$6,350 HH: \$9,350	MFJ: \$24,000 S: \$12,000 HH: \$18,000	+
 State & Property Taxes	Deductible	Maximum \$10,000 deduction	-
 Mortgage Interest	\$1 million loan limit	\$750,000 loan limit	-
 Home Equity Line of Credit (HELOC) Interest	Deductible	Repealed	-
 Alternative Minimum Tax	More taxpayers paying AMT	Fewer taxpayers paying AMT	+

On December 22, 2017, President Donald Trump signed the Tax Cuts and Jobs Act (H.R. 1), a far-reaching bill that presents the most sweeping change to the U.S. tax code in decades. This new tax reform legislation will impact virtually every individual and business on a level not seen in over 30 years.

**MOST OF THE CHANGES INTRODUCED BY THE BILL WENT INTO EFFECT ON JANUARY 1, 2018 AND WILL NOT IMPACT 2017 TAXES.**

See the back for business tax changes.

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# BUSINESS TAXES

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## COMPARISON OF TAX CUTS AND JOBS ACT (H.R.1) AND PRIOR LAW

DESCRIPTION	PRIOR LAW	H.R. 1	Effect
	2017	2018	
 Pass-through Income	Pass-through income taxed at individual tax rate	20% deduction	+
 Corporate Tax Rate	35% maximum rate	21% flat rate	+
 Section 179	\$510,000	\$1,000,000	+
 Bonus Depreciation	50% new assets	100% new & used assets	+
 Domestic Production Activity Deduction	Up to 9% deduction	Repealed	-
 Meals	100% deduction for meals by employer on site	50% deduction for all meals, including employer meals	-
 Entertainment	50% entertainment expense	Not deductible	-
 Repatriation of Foreign Income	Tax on foreign dividends to U.S. corporations	No tax on foreign dividends to U.S. corporations	+
 Deemed Toll Charge	Not taxable unless foreign dividend	Deemed dividends on foreign accumulated earnings taxed at 15.5% or 8%	-

Application of these changes affects each business and individual. Our team of trusted tax advisors can help you analyze the impact of these changes and plan for opportunities to maximize your tax situation in your favor.

Contact us to start your planning today.

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