

Tax Cuts and Jobs Act Synopsis Comparison for Individuals

Pre-Act Law

Tax Brackets-2017

	Single	MFJ	HOH
10%	0-9,325	0-18,650	0-13,350
15%	9,325-37,950	18,650-75,900	13,350-50,800
25%	37,950-91,900	75,900-153,100	50,800-131,200
28%	91,900-191,650	153,100-233,350	131,200-212,500
33%	191,650-416,700	233,350-416,700	212,500-416,700
35%	416,700-418,400	416,700-470,700	416,700-444,550
39.6%	418,400 and up	470,700 and up	444,550 and up

Standard Deduction

Single	MFJ	HOH
6,350	12,700	9,350

Personal Exemptions

\$4,150 per person claimed on tax return

Kiddie Tax

Unearned Income taxed at parents' rates

Capital Gains Taxes

Rates for LT Cap Gains and Dividends: 0%, 15%, 20%

Child Tax Credit

Credit up to \$1,000 per child
Phaseout of \$50 each \$1,000 over:

Single	MFJ	MFS
75,000	110,000	55,000

Refundable up to 15% of Earned Income over \$3,000, up to \$1,100

State and Local Tax

All state, local, sales, real property and personal property tax deductible

Mortgage Interest

Deductible on debt up to \$1,000,000 plus home equity indebtedness of \$100,000

Medical Expenses

Must exceed 10% on AGI

Charitable Contributions

Limited to 50% AGI
Need contemporaneous written acknowledgment
College athletic ticket rights 80% deductible

Alimony

Income to receiver, deduction to payer

Misc. Deductions

Certain miscellaneous deductions were subject to a 2% floor of AGI

ACA Individual Mandate

Penalty for no health insurance

529 Plans

Used for Higher Education

Moving Expenses

Relocation costs related to jobs partially deductible

Pease Limitation

Limits Itemized Deductions if AGI above thresholds

ESTATE AND GIFT TAX

Lifetime Exclusion: \$5.6 million per person
Annual Exclusion: \$14,000

Tax Cuts and Jobs Act

Tax Brackets -2018

	Single	MFJ	HOH
10%	0-9,525	0-19,950	0-13,600
12%	9,525-38,700	19,950-77,400	13,600-51,800
22%	38,700-82,500	77,400-165,000	51,800-82,500
24%	82,500-157,500	165,000-315,000	82,500-157,500
32%	157,500-200,000	315,000-400,000	157,500-200,000
35%	200,000-500,000	400,000-600,000	200,000-500,000
37%	500,000 and up	600,000 and up	500,000 and up

Single	MFJ	HOH
12,000	24,000	18,000

Personal Exemptions Suspended

Earned Income taxed at ordinary single rates
Unearned income taxed at trust rates

No Change

Credit up to \$2,000 per child

Phaseout of \$50 each \$1,000 over:

Single	MFJ	MFS
200,000	400,000	200,000

Refundable up to 15% of Earned Income over \$2,500, up to \$1,400
Additional \$500 nonrefundable credit for non-child qualifying dependents

All state, local, sales, real property and personal property tax capped at \$10,000

Deductible on new or additional debt up to \$750,000
New limit does not apply to indebtedness incurred to refinance current debt, so long as the refinance does not exceed current debt.

Must exceed 7.5% of AGI, beginning 1/1/2017

Limited to 60% AGI
Contemporaneous written acknowledgment requirement repealed
College athletic ticket rights no longer deductible

No longer included on tax return for receiver or payer for new alimony.
Pre-existing agreements before 1/1/19 still includable

All Misc. deductions suspended through 2025
Common expenses no longer deductible:
Tax Prep Fee / Safe Deposit Box / Brokerage Fees

Individual mandate repealed after 12/31/18

Used for Higher Education
Used for tuition at private grade schools, up to \$10,000 per year

Suspended until 2025

Suspended until 2025

Lifetime Exclusion: \$11.2 million per person
Annual Exclusion: \$15,000

