

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

