

INDIVIDUAL YEAR END NEWSLETTER

WHATS NEW FOR 2018

DECEMBER 2017

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Dear Valued Client,

Word on the street is that there's a new tax bill that recently passed into law! Good news for you is that our office staff and CPA's have been actively monitoring the upcoming changes.... and as always, we have your best interest in mind!

On December 20, 2017, Congress passed the Tax Cuts and Jobs Act (H.R.1). This bill impacts virtually every individual and business on a level not seen in over 30 years. As with any tax bill, however, there will be "winners" and "losers." Below and on the following page, we have attempted to show you the changes from this new bill as "simply" as possible. ***Everyone's situation is unique.*** Please look over the changes and if you have any specific questions, please bring that item to your preparer's attention during your tax appointment.

H.R.1 Brackets : New Rates

Rate	Joint Return	Individual Return
10%	\$0 - \$19,050	\$0 - \$9,525
12%	\$19,050 - \$77,400	\$9,525 - \$38,700
22%	\$77,400 - \$165,000	\$38,700 - \$82,500
24%	\$165,000 - \$315,000	\$82,500 - \$157,500
32%	\$315,000 - \$400,000	\$157,500 - \$200,000
35%	\$400,000 - \$600,000	\$200,000 - \$500,000
37%	Over \$600,000	Over \$500,000

Capital Gains : New Law

Rate	Filing Status	Breakpoint (Income)
0%	Individual & Married Filing Separately	Up to \$38,600
	Head of Household	Up to \$51,700
	Married Filing Joint	Up to \$77,200
15%	Individual & Married Filing Separately	\$38,600 - \$425,800
	Head of Household	\$51,700 - \$452,400
	Married Filing Joint	\$77,200 - \$479,000
20%	Individual & Married Filing Separately	\$425,800 +
	Head of Household	\$452,400 +
	Married Filing Joint	\$479,000 +

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

	Prior Law (2017)	H.R. 1 (2018)
Child Tax Credit	\$1,000 All refundable	\$2,000 Refundable to \$1,400
Standard Deduction	S: \$6,350 MFJ: \$12,700 HH: \$9,350	S: \$12,000 MFJ: \$24,000 HH: \$18,000
Individual Rates	10%, 15%, 25%, 28%, 33%, 35%, 39.6%	10%, 12%, 22%, 24% 32%, 35%, 37%
Personal Exemptions	\$4,050	Repealed
State & Local Taxes	Deductible if itemized	Maximum of \$10,000 deduction
Mortgage Interest Deduction New acquisitions incurred before 12/15/17 is grandfathered in at \$1 million	Mortgage of \$1 million limit	Mortgage of \$750,000 limit
Alternative Minimum Tax	Individual: 26%, 28% Corporate: 20%	Individual: exemption increased Corporate: Repealed
Home Equity Interest	Deductible is used for home repairs	Repealed
Individual Insurance Mandate	Penalty Varies	Repealed
Moving Expenses	Partially Deductible	Repealed
Recharacterization of IRA to Roth Conversion	Allowed	Repealed
Alimony	Payment deductible Receipt taxable	Repealed for divorce or Separation after 12/31/18
Medical Expense Deduction	Expenses that exceed 10% of AGI	Expenses that exceed 7.5% of AGI
Tuitions & Fees Deduction	Allowed	Repealed
Casualty Losses	Allowed	Repealed except in disaster area
529 Plan	Tax free withdraw for College only	Also allows \$10,000 tax free withdraw grades K-12 expenses for public, private & homeschooling
Miscellaneous Itemized deductions subject to 2% AGI	Allowed	Repealed
Federal Estate Tax	5.49 Million Federal Only	10.98 Million Federal Only