

# The Tax Cuts and Jobs Act of 2017



The Tax Cuts and Jobs Act of 2017 modified numerous provisions of the tax code applicable to individuals, small business owners, and corporations. The following provides a high level comparison of select provisions of the Act. Provisions are effective as of January 1, 2018, unless otherwise indicated, and are scheduled to sunset after 2025. For advice concerning your or a client's individual circumstances, please consult a tax or legal professional.

## Individual Income Tax - Rates and Income Brackets

2017			2018		
Rate	Single	Married, Filing Joint	Rate	Single	Married, Filing Joint
10%	\$0 - \$9,325	\$0 - \$18,650	10%	\$0 - \$9,525	\$0 - \$19,050
15%	\$9,326 - \$37,950	\$18,651 - \$75,900	12%	\$9,526 - \$38,700	\$19,051 - \$77,400
25%	\$37,951 - \$91,900	\$75,901 - \$153,100	22%	\$38,701 - \$82,500	\$77,401 - \$165,000
28%	\$91,901 - \$191,650	\$153,101 - \$233,350	24%	\$82,501 - \$157,500	\$165,001 - \$315,000
33%	\$191,651 - \$416,700	\$233,351 - \$416,700	32%	\$157,501 - \$200,000	\$315,001 - \$400,000
35%	\$416,701 - \$418,400	\$416,701 - \$470,700	35%	\$200,001 - \$500,000	\$400,001 - \$600,000
39.6%	\$418,401 and up	\$470,701 and up	37%	\$500,001 and up	\$600,001 and up

## Long-term Capital Gains & Qualified Dividends

2017			2018		
Tax Rate	Single	Married, Filing Jointly	Tax Rate	Single	Married, Filing Jointly
0%	\$0 - \$37,950	\$0 - \$75,900	0%	\$0 - \$38,600	\$0 - \$77,200
15%	\$37,951 - \$418,400	\$75,901 - \$470,700	15%	\$38,601 - \$425,800	\$77,201 - \$479,000
20%	\$418,401 and up	\$470,701 and up	20%	\$425,801 and up	\$479,001 and up

## Individual Income Tax - Alternative Minimum Tax ("AMT") & Health Insurance

Provision	2017	2018
Alternative Minimum Tax ("AMT")	In computing AMT, only alternative minimum taxable income above an exemption amount is taken into account. 2017 exemption amounts: Single filers: \$54,300; Joint filers: \$84,500. The exemption phases out above certain income levels: Single filers: \$120,000; Joint filers: \$160,900.	In computing AMT, only alternative minimum taxable income above an exemption amount is taken into account. 2018 exemption amounts: Single filers: \$70,300; Joint filers: \$109,400. The exemption phases out above certain income levels: Single filers: \$500,000; Joint filers: \$1,000,000.
Patient Protection and Affordable Care Act	Individual mandate with penalty for lack of health insurance.	Individual mandate penalty repealed effective 2019.

Individual Income Tax - Exemptions and Standard Deduction		
Provision	2017	2018
<b>Personal Exemption</b>	\$4,050 for each taxpayer, their spouse and dependents. Subject to phase out.	Repealed.
<b>Standard Deduction</b>	Single filers: \$6,350 Married, filing joint: \$12,700 Married, filing separately: \$6,350 Head of household: \$9,350	Single filers: \$12,000 Married, filing joint: \$24,000 Married, filing separately: \$12,000 Head of household: \$18,000
Individual Income Tax - Itemized Deductions		
Provision	2017	2018
<b>Charitable Deduction</b>	Cash contributions up to 50% of AGI are generally deductible.	Cash contributions up to 60% of AGI are generally deductible.
<b>Medical Expenses</b>	Medical expenses in excess of 10% of AGI are deductible.	Medical expenses in excess of 7.5% of AGI are deductible.
<b>State and Local Tax Deduction</b>	Specific state and local taxes, including taxes on real and personal property and income or sales taxes, are deductible.	Same, but subject to an aggregate cap of \$10,000. (2018 property taxes are deductible in 2017 if both assessed and paid in 2017.)
<b>Mortgage Interest Expense</b>	Interest on up to \$1 million of qualified indebtedness is deductible. Interest on up to \$100,000 of qualified home equity indebtedness is deductible.	Interest on up to \$750,000 of qualified indebtedness is deductible. Deduction for home equity indebtedness: Repealed.
<b>Miscellaneous Itemized Deductions</b>	Several types of expenses can be taken as itemized deductions subject to an aggregate floor of 2% of AGI. Examples include: expenses for the production or collection of income, tax preparation fees, and unreimbursed employee expenses.	All miscellaneous itemized deductions subject to the 2% floor are repealed.
<b>Limitation on Itemized Deductions</b>	The threshold above which otherwise allowable total itemized deductions are reduced is: Single filers: \$266,700; Joint filers: \$320,000.	Repealed.
Individual Income Tax - Various Deductions		
Provision	2017	2018
<b>Alimony</b>	Deductible to the party making payment.	Repealed.
<b>Moving Expenses</b>	Deductible if moving more than 50 miles for a new job.	Only deductible for military moves.
<b>Casualty Loss</b>	Deductible.	Deductions limited to those associated with federally-declared disasters.

Business Tax Provisions		
Provision	2017	2018
<b>Taxation of Pass-through Entities</b>	Business income that individuals receive through partnerships, S corporations, and sole proprietorships generally "passes through" to the individual, i.e., there is no separate or different tax rate applied to such business income.	"Pass through" business income is allowed a 20% deduction beginning in 2018, subject to income thresholds. The phase out range is \$157,500 - \$207,500 for single filers; \$315,000 - \$415,000 for married, filing jointly.
<b>Corporate Tax Rates</b>	Current law provides for four corporate income tax brackets: 15%, 25%, 34%, and 35%. Additional tax is imposed on income over certain thresholds, and certain personal service corporations pay the 35% rate on all of their taxable income.	Single corporate tax rate of 21%.
<b>Corporate Alternative Minimum Tax (AMT)</b>	An AMT is imposed on corporations based on tentative minimum tax liability in excess of regular tax liability.	Repealed.
<b>Small Business Expensing</b>	Certain property can be expensed in the year of acquisition subject to a \$500,000 limit.	Certain property can be expensed in the year of acquisition subject to a \$1,000,000 limit.

**Source:** HR 1: An Act to provide reconciliation pursuant to Titles II and V of the concurrent resolution on the budget for fiscal year 2018, Pub. L. No. 115-97, 131 Stat. 2054 (2017)

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