

New 2018 Tax Law – Some Individual Issues

- Standard Deduction increased to:
 - Single - \$12,000
 - Head-of-Household - \$18,000
 - Married Filing Joint - \$24,000
- Personal Exemptions suspended
- Income Tax Rate Table and income ranges have changed some

Rate	Single Filing	Head of Household Filing	Married – Filing Jointly
10%	<\$9,525	<\$13,600	<\$19,050
12%	\$9,526 - \$38,700	\$13,601 - \$51,800	\$19,051 - \$77,400
22%	\$38,701 - \$82,500	\$51,801 - \$82,500	\$77,401 - \$165,000
24%	\$82,501 - \$157,500	\$82,501 - \$157,500	\$165,001 - \$315,000
32%	\$157,501 - \$200,000	\$157,501 - \$200,000	\$315,001 - \$400,000
35%	\$200,001 - \$500,000	\$200,001 - \$500,000	\$400,001 - \$600,000
37%	>\$500,000	>\$500,000	>\$600,000

- Under-withholding has been an issue in 2018 due to initial withholding payroll tax table errors
- Deduction for state and local taxes (including property taxes) capped at \$10,000
- Mortgage Interest is still deductible, but maximum underlying debt is reduced to \$750,000 for new mortgages
- Interest deduction for HELOCs or equity debt is eliminated
- Medical expense deduction AGI phase-out percentage changed to 7.5%
- Charity contribution deduction – AGI limit on cash contributions increased to 60%
- Miscellaneous Itemized Deductions (subject to 2% AGI floor) suspended
- Personal casualty loss deduction suspended

- Alternative Minimum Tax (AMT) exemptions increased
- Expanded Child Tax Credit
- Capital Gains provisions updated
- Qualified higher education expenses now include K-12 school expenses up to \$10,000
- Moving expenses deduction suspended except for military
- Alimony deduction suspended for divorce agreements dated after 12/31/2017
- Affordable Care Act (ACA) – Reduces individual mandate penalty to zero after 12/31/2018 tax year (penalty for not having health insurance is still in effect for 2018 tax year)

This information is a partial list of individual issues.

**Call Today To Discuss The New Tax Law And
How It Impacts You Ph 573-554-6135**

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