



19 Key changes from the Tax Cuts and Jobs Act

- 1. C corporation tax rate has been changed to a 21% flat rate.**
- 2. Individual Tax brackets have been lowered for all tiers.**
- 3. Standard deduction nearly doubled for all filing statuses.**
- 4. There are no longer exemptions for personal and dependents.**
- 5. The child tax credit has doubled; the phase-out is also much higher, making this credit available to more families.**
- 6. The individual deduction for state and local tax (SALT) for income, sales, and property tax is capped at \$10,000 combined.**
- 7. New limit on mortgage interest deduction for new debt incurred, there is also a lower dollar limit on total qualified residence loan balance.**
- 8. The charitable contribution ceiling has increased, but most of the same rules are still in place. It may be an advantage to donate to charities every other year, due to the standard deduction increase.**
- 9. The medical expense deduction threshold has changed to 7.5% for 2018, and will change back to 10% in 2019.**
- 10. Investment expenses, tax preparation fees, and unreimbursed employee expenses are no longer deductible on schedule A.**
- 11. You must be in a federally declared disaster area to claim a personal casualty loss. Many rules and restrictions still apply.**
- 12. Personal theft loss is no longer deductible.**
- 13. There is no longer a phase-out of itemized deductions.**
- 14. Alimony payments are no longer taxed or deductible for either party.**
- 15. The exemption for AMT has increased, meaning fewer people will pay AMT tax.**
- 16. 529 Plans can now be used on some qualifying K-12 expenses.**
- 17. Rules regarding Roth IRA re-characterization have changed, making re-characterization more difficult.**
- 18. Rules regarding kiddie tax have changed, most notably the tax rate used to tax unearned income is the same used for trusts and estates (the highest marginal rate).**
- 19. ABLE accounts have changed. You can now contribute more to an ABLE account, and may qualify for a Saver's credit.**