



Highlights of the New Tax Law

Corporate

- The corporate tax rate ceiling has been reduced to 21% from 35%.
- Bonus Depreciation increased to 100%
- Section 179 limit increased to \$1 million with limit of \$2.5 million of asset class
- Auto depreciation increased to \$10,000 first year; \$16,000 second year and \$9,600 til fully depreciated.

Pass through Entities

- 20% of income deduction subject to certain rules. (Accountants, doctors, lawyers and others service providers excluded from benefit)
- Pass-throughs include S-Corps, partnerships and sole proprietorships
- Auto depreciation increased to \$10,000 first year; \$16,000 second year and \$9,600 til fully depreciated

Individuals

- Standard deduction almost doubled
- Exemptions eliminated
- Most miscellaneous itemized deductions eliminated
- State and local taxes capped at \$10,000
- Lower tax rates
- Doubled child tax credits
- Alimony deduction eliminated (nontaxable to recipient)
- Alternative minimum tax substantially modified

Summary of New Tax Law**Standard Deduction****Married Filing Joint****2016****2018**

Total Income	\$	100,000	\$	100,000
Adjusted Gross Income	\$	100,000	\$	100,000
Standard Deduction	\$	(12,600)	\$	(24,000)
Exemptions	\$	(8,100)	\$	
Taxable Income	\$	79,300	\$	76,000
Federal Income Tax	\$	11,368		
		10.00%	\$	1,950
	\$	19,500	12.00%	\$
				6,780
2018 Tax Calculated	\$	11,368	\$	8,730

Itemized Deductions**2016****2018**

Total Income	\$	150,000	\$	150,000
Adjusted Gross Income	\$	150,000	\$	150,000
Itemized Deductions				
Medical	\$			
Taxes	\$	(17,500)	\$	(10,000)
Interest	\$	(9,000)	\$	(9,000)
Charity	\$	(6,750)	\$	(6,750)
Miscellaneous	\$			
Total Itemized	\$	(33,250)	\$	(25,750)
Exemptions	\$	(8,100)	\$	
Taxable Income	\$	75,400	\$	98,500
Federal Income Tax	\$	11,368		
		10.00%	\$	1,950
	\$	19,500	12.00%	\$
				6,948
	\$	77,400	22.00%	\$
				4,642
	\$	165,000	24.00%	
	\$	315,000	32.00%	
	\$	400,000	35.00%	
	\$	600,000	37.00%	
2018 Tax Calculated	\$	11,368	\$	13,540