

IRS Highlights Steps Taxpayers Can Take to Deal with 2018 Tax Law Changes

The IRS is advising taxpayers about the steps they can take to ensure smooth processing of their 2018 tax return and avoid surprises when they file next year. The guidance is the first in a series of reminders to help taxpayers deal with the sweeping tax changes made by the *2017 Tax Cuts and Jobs Act* (P.L. 115-97). Taxpayers are urged to refer to new [**Publication 5307**](#), available at [**IRS.gov/getready**](https://www.irs.gov/getready) that breaks down what is new for the 2018 federal tax return that individual taxpayers will be filing in 2019.

New IRS Publication 5307 helps individuals understand Tax Cuts and Jobs Act

Major tax reform that affects both individuals and businesses was approved by Congress and signed by the President on Dec. 22, 2017. It's commonly referred to as the Tax Cuts and Jobs Act, or TCJA, or tax reform. Throughout 2018, the IRS has been working closely with partners in the tax return preparation and tax software industries to implement the new law and ensure taxpayers can count on the IRS, tax professionals and tax software programs when it's time to file their returns. While the Tax Cuts and Jobs Act law includes tax changes for individuals and businesses, this publication breaks down what's new for the 2018 federal tax return individual taxpayers will be filing in 2019.

This new publication provides important information about:

- increasing the standard deduction,
- suspending personal exemptions,
- increasing the child tax credit,
- adding a new credit for other dependents and
- limiting or discontinuing certain deductions.

Because of the many changes in the tax law, refunds may be different than prior years for some taxpayers. Some may even owe an unexpected tax bill when they file their 2018 tax return next year. To avoid this kind of surprises, taxpayers should perform a Paycheck Checkup to help determine if they need to adjust their withholding or make estimated or additional tax payments now.

Here are a few things to be aware of:

- Due to many changes in the tax law, refunds may be different than prior years for some taxpayers. Some taxpayers may even owe an unexpected tax bill when they file their 2018 tax return next year. To avoid this kind of surprises, you should perform a "Paycheck Checkup" to help determine if you need to adjust withholding or make estimated or additional tax payments now to avoid late payment penalties.
- Taxpayers may also find that they need additional documents on hand when preparing to file their annual return. Before sitting down to complete your return review the instructions for the 2018 Form 1040 to find out what necessary documents you will need so you can avoid using incomplete records while filing their returns.

- Taxpayers with an *Individual Taxpayer Identification Number* (ITIN) may need to renew it before the end of the year. Any ITIN not used on a federal tax return in the past three years will expire on December 31, 2018.
- Any ITIN with middle digits 73, 74, 75, 76, 77, 81 or 82 will expire at the end on December 31, 2018. Anyone with an expiring ITIN who plans to file a return in 2019 will need to renew it using IRS Form W-7, *Application for IRS Individual Taxpayer Identification Number*.
- Finally, when filing returns, electronic preparation and filing remains the most accurate way to ensure your return is processed swiftly and accurately. Combining *Direct Deposit* with electronic filing is the fastest way for you to receive any refund you may be owed.

We encourage you to take a few moments soon to review the publication to help prepare for this upcoming filing season.

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