

**TAX CHANGES FOR INDIVIDUALS (all sunset on December 31, 2025)**

Topic	Pre-Tax Act	2017 Tax Act
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**Tax and Rates**

Individual Ordinary Income Tax Rates	Individuals are taxed at seven tax brackets:			There are still seven tax brackets, but most have changed:		
	Rate	MFJ	Single	Rate	MFJ	Single
	10%	Under \$18,650	Under \$9,325	10%	Under \$19,050	Under \$9,525
	15%	\$18,650-\$75,900	\$9,325-\$37,950	12%	\$19,050-\$77,400	\$9,525-\$38,700
	25%	\$75,900-\$153,100	\$37,950-\$91,900	22%	\$77,400-\$165,000	\$38,700-\$82,500
	28%	\$153,100-\$233,350	\$91,900-\$191,650	24%	\$165,000-\$315,000	\$82,500-\$157,500
	33%	\$233,350-\$416,700	\$191,650-\$416,700	32%	\$315,000-\$400,000	\$157,500-\$200,000
	35%	\$416,700-\$470,700	\$416,700-\$418,400	35%	\$400,000-\$600,000	\$200,000-\$500,000
39.6%	Over \$470,700	Over \$418,400	37%	Over \$600,000	Over \$500,000	

Individual Capital Gains Rates	Top rate of 20% with a 1 year holding period.	2017 rates and holding period are retained.
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Net Investment Income Tax	3.8% above \$200,000 AGI (single) \$250,000 AGI (MFJ)	2017 rates are retained.
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Medicare Surtax	0.9% on earned income above \$200,000 (single) \$250,000 (MFJ)	2017 rates are retained.
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Kiddie Tax	A child pays tax on unearned income over \$2,100 at his/her parents' tax brackets, if it is higher than the child's bracket.	A child pays tax on unearned income at ordinary and capital gains rates applicable to trusts and estates. This is a top tax rate of 37% for income over \$12,500.
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Carried Interest	Carried interest must be held for 1 year to receive Long Term Capital Gains Rates.	Carried interest must be held for 3 years to receive Long Term Capital Gains Rates.
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Retirement Account contributions	Contributions to 401k can be made pre-tax, up to certain limits.	2017 rule is retained.
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Re-characterization of Roth IRA Rollovers	An individual may re-characterize a contribution to a traditional IRA as a contribution to a Roth IRA and vice versa.	Eliminated.
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**Deductions, Exemptions and Credits**

Standard Deduction	\$6,350 (single) \$12,700 (MFJ)	Standard deduction increased to \$12,000 (single) \$24,000 (MFJ) These amounts will be adjusted annually for inflation.
Personal Exemption	\$4,050	Exemption eliminated in favor of a higher standard deduction.
Miscellaneous Itemized Deductions (certain itemized deductions are more clearly explained forth below)	Certain expenses could be deducted by individuals, subject to a 2% floor. These expenses included certain legal fees, unreimbursed employee business expenses, safe deposit box rent, investment fees, certain federal estate taxes, professional dues and memberships, IRA trustee fees and certain losses on IRA or Roth IRA distributions.	Deductions eliminated.
Limitation on Miscellaneous Itemized Deductions (Pease Phaseout)	The total amount of itemized deductions (other than medical expenses, investment interest, and casualty losses) is limited for certain upper-income taxpayers. Pease phaseout applies to AGI over: \$261,500 (single) \$313,800 (MFJ)	Limitations eliminated.
Tax Preparation Fees	Itemized deduction allowed (subject to a 2% floor) for tax preparation expenses.	Deduction eliminated.
Personal Casualty Loss Deduction	Itemized deduction allowed for personal casualty losses, including property losses arising from fire, storm, or theft.	Deduction restricted to personal casualty loss only incurred as a result of federally declared disasters.
Moving Expense Deduction	Moving expenses incurred in connection with starting a new job, regardless of whether or not the taxpayer itemizes his/her deductions were deductible if the new workplace was 50 miles farther from his/her residence.	Eliminated except for members of the Armed Forces who move pursuant to a military order.
Teacher Expense Deduction	A teacher could deduct up to \$250 per year for classroom supplies.	Deduction increased to \$500.
Mortgage Interest Deduction	Deduction for interest on a mortgage up to \$1,000,000 allowed.	Deduction for interest on a mortgage only up to \$750,000 allowed. However, if you acquired your home prior to

		January 1, 2018, or were under contract before Dec. 15, 2017, you can still deduct interest on a mortgage up to \$1,000,000.
HELOC Interest Deduction	Deduction of interest on home equity line of credit up to \$100,000 allowed.	Deduction eliminated.
State and Local Tax Deduction	Deduction for state and local taxes (or sales taxes) and property taxes paid.	Deduction capped at \$10,000. This amount is the same for an individual or married couple.
Alimony	Deduction available to any spouse who pays his/her ex-spouse alimony. The recipient spouse must report alimony received as income.	Deduction eliminated, but the effective date was delayed for one year and only applies to alimony paid for divorces after December 31, 2018. For divorces after 2018, the spouse who pays the alimony does not get a deduction and the spouse who receives the alimony does not need to report it as income. This provision does not sunset in 2025.
Exclusion of Capital Gain on Sale of Personal Residence	Can exclude up to \$250,000 (single) or \$500,000 (married) on the sale of your principal residence. This exclusion is allowed every 2 years. The residence must be owned and lived in for 2 out of the last 5 years.	Rule remains unchanged.
Child Tax Credit	Credit of \$1,000 per qualifying child available, subject to phase out beginning at \$110,000 (MFJ) and \$75,000 (single).	Credit doubled to \$2,000 per qualifying child. In addition, there is a \$500 credit per non-child dependent. Both phase-out beginning at \$400,000 (MFJ) and \$200,000 (single).
Charitable Contributions	Deduction for cash contributions to public charities is capped at 50% of AGI.	Cap is increased to 60% of AGI.
Tickets to Athletic Events	If you receive the right to purchase tickets to an educational institution's athletic event in exchange for a contribution to the institution, you can deduct 80% of the contribution.	Deduction eliminated.