

TCJA Highlights

Individuals

Medical expense deduction – 7.5% for 2018; 10% for 2019 and afterwards

SALT (State and Local Tax) maximum - \$10,000 for all

Mortgage interest deduction - \$750,000 mortgage debt limit for interest; home equity interest discarded

Casualty loss – only federally declared disaster area

Charitable contributions – 60% of AGI; mandatory Contemporary Written Acknowledgement (CWA) from the charity for contributions of \$250 or more

Miscellaneous itemized deductions – no longer deductible; Lost deductions:

- Employee business expenses

- Investment expenses

- Tax return preparation fees

Qualified business income deduction – 20% of pass-through income with limits

Child Tax Credit – increased amount; children must have SSNs

Other Dependents Credit – new \$500 credit for qualifying relative

Moving expenses – only for military

Kiddie Tax – taxed at trust rates instead of parent's rate

Alternative Minimum Tax – higher threshold

Affordable Care Act – individual responsibility payment repealed in 2019 forward

Business

Depreciation – 100% bonus and higher Section 179 limits

Business interest – limited unless revenues less than \$25 million

UNICAP – exemption if revenues less than \$25 million; cash method; need to file Form 3115 to elect a Change in Accounting Method

Net Operating Loss – no carryback; maximum of 80% of taxable income

Meals & Entertainment – no more entertainment expenses; meals 50% deductible