

## MAJOR PROVISIONS AFFECTING INDIVIDUAL CLIENTS

INDIVIDUAL PROVISIONS	CONFERENCE COMMITTEE
EFFECTIVE	<p>GENERALLY, TAX YEARS BEGINNING AFTER 12/31/17 AND BEFORE 1/1/2026.</p> <ul style="list-style-type: none"> <li>• THUS, WORDING IS “SUSPENDS” RATHER THAN “REPEALS”</li> </ul>
INDIVIDUAL TAX RATES	<p>10%, 12%, 22%, 24%, 32%, 35%, AND 37%.  IMPOSES HIGHEST RATE AT \$600,000 MFJ AND \$500,000 SINGLE AND HOH.</p> <ul style="list-style-type: none"> <li>• MARRIAGE PENALTY IMPOSED AT HIGHEST BRACKETS.</li> </ul>
EXEMPTIONS	SUSPENDS TO 2026
CHILD TAX CREDIT	<p>INCREASES TO \$2,000 (\$1,400 REFUNDABLE) FOR CHILDREN UNDER 18 AND ADDS \$500 FOR OTHER DEPENDENTS—PHASE OUT INCREASED TO BEGIN AT \$400,000.</p>
STANDARD DEDUCTION	<p>INCREASES STANDARD DEDUCTION TO \$12,000 SINGLE, \$18,000 HOH, AND \$24,000 MFJ.</p>
MEDICAL DEDUCTION	<p>ALLOWS EXCESS OVER 7.5% OF AGI FOR 2017 AND 2018.</p> <ul style="list-style-type: none"> <li>• NOTE EFFECTIVE DATE.</li> </ul>

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STATE AND LOCAL TAXES	SUSPENDS ALL SCHEDULE A INDIVIDUAL STATE AND LOCAL TAX, SALES TAX, AND PROPERTY TAX DEDUCTIONS ABOVE \$10,000. • BILL SPECIFICALLY PROHIBITS DEDUCTION FOR PREPAID 2018 STATE INCOME TAXES.
MORTGAGE INTEREST	REDUCES ACQUISITION DEBT FROM \$1,000,000 TO \$750,000 FOR DEBT INCURRED AFTER 12-15-17. SUSPENDS EQUITY DEBT INTEREST DEDUCTION.
CHARITABLE CONTRIBUTIONS	INCREASES THE 50% AGI LIMITATION ON CASH CONTRIBUTIONS TO PUBLIC CHARITIES AND CERTAIN PRIVATE FOUNDATIONS TO 60%.
MISC. ITEMIZED DEDUCTIONS	SUSPENDS ALL MISC. ITEMIZED DEDUCTIONS THAT ARE SUBJECT TO THE 2% OF AGI LIMITATION—RETAINS PRESIDENTIALLY DECLARED CASUALTY LOSSES.
PHASE-OUT OF ITEMIZED DEDUCTIONS	SUSPENDS THE PHASE-OUT OF ITEMIZED DEDUCTIONS.
AMT	RETAINS AMT BUT INCREASES EXEMPTION AMOUNT TO \$109,400 MFJ, \$70,300 SINGLE AND HOH. PHASE OUT OF EXEMPTION INCREASED TO \$1,000,000 MFJ AND \$500,000 SINGLE AND HOH.
ADOPTION CREDIT	RETAINS.
SEC 121 HOME SALE EXCLUSION	RETAINS AS IN CURRENT LAW.
MOVING EXPENSE DEDUCTION	SUSPENDS THE MOVING EXPENSE DEDUCTION EXCEPT FOR MILITARY. THERE IS A CORRESPONDING PROVISION THAT MAKES MOVING EXPENSE REIMBURSEMENT TAXABLE.
ALIMONY DEDUCTION	SUSPENDS THE ALIMONY PAID DEDUCTION FOR AGREEMENTS EXECUTED AFTER DEC. 31, 2018. THERE IS A CORRESPONDING REPEAL OF THE PROVISIONS PROVIDING INCLUSION OF ALIMONY IN GROSS INCOME.
TEACHER DEDUCTION	RETAINS AT \$250.

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INDIVIDUAL PROVISIONS	CONFERENCE COMMITTEE
529 TUITION SAVINGS PLAN	<p>ALLOWS A QUALIFIED DISTRIBUTION FOR K-12 TUITIONS UP TO \$10,000.            • FOR CONTRIBUTIONS AFTER DEC. 31, 2017.</p>
IRA RCHARACTERIZATION	<p>SUSPENDS RECHARACTERIZATION RULE.</p>
ESTATE TAXES	<p>DOUBLES EXEMPTION TO ABOUT \$11,000,000 BUT DOES NOT REPEAL.</p>
ACA INDIVIDUAL MANDATE PENALTY	<p>REDUCES PENALTY TO ZERO AFTER 2018.</p>