

INCOME TAX RATES UNDER 2017 Tax Cuts & Jobs Act

Married Filing Jointly (& Surviving Spouse)

2018 Tax Rate	2018 Taxable Income	2017 Taxable Income	2017 Tax Rate
10%	\$ 0 to \$ 19,050	\$ 0 to \$ 18,650	10%
12%	\$ 19,050 to \$ 77,400	\$ 18,650 to \$ 75,900	15%
22%	\$ 77,400 to \$ 165,000	\$ 75,900 to \$ 153,100	25%
24%	\$ 165,000 to \$ 315,000	\$ 153,100 to \$ 233,350	28%
32%	\$ 315,000 to \$ 400,000	\$ 233,350 to \$ 416,700	33%
35%	\$ 400,000 to \$ 600,000	\$ 416,700 to \$ 470,700	35%
37%	\$ 600,000 and above	\$ 470,700 and above	39.6%

Unmarried Individual (Other than Surviving Spouse, HoH)

2018 Tax Rate	2018 Taxable Income	2017 Taxable Income	2017 Tax Rate
10%	\$ 0 to \$ 9,525	\$ 0 to \$ 9,325	10%
12%	\$ 9,525 to \$ 38,700	\$ 9,325 to \$ 37,950	15%
22%	\$ 38,700 to \$ 82,500	\$ 37,950 to \$ 91,900	25%
24%	\$ 82,500 to \$ 157,500	\$ 91,900 to \$ 191,650	28%
32%	\$ 157,500 to \$ 200,000	\$ 191,650 to \$ 416,700	33%
35%	\$ 200,000 to \$ 500,000	\$ 416,700 to \$ 418,400	35%
37%	\$ 500,000 and above	\$ 418,400 and above	39.6%

Head of Household (HoH)

2018 Tax Rate	2018 Taxable Income	2017 Taxable Income	2017 Tax Rate
10%	\$ 0 to \$ 13,600	\$ 0 to \$ 13,350	10%
12%	\$ 13,600 to \$ 51,800	\$ 13,350 to \$ 50,800	15%
22%	\$ 51,800 to \$ 82,500	\$ 50,800 to \$ 131,200	25%
24%	\$ 82,500 to \$ 157,500	\$ 131,200 to \$ 212,500	28%
32%	\$ 157,500 to \$ 200,000	\$ 212,500 to \$ 416,700	33%
35%	\$ 200,000 to \$ 500,000	\$ 416,700 to \$ 444,550	35%
37%	\$ 500,000 and above	\$ 444,550 and above	39.6%

Married Individual Filing Separate Return

2018 Tax Rate	2018 Taxable Income	2017 Taxable Income	2017 Tax Rate
10%	\$ 0 to \$ 9,525	\$ 0 to \$ 9,325	10%
12%	\$ 9,525 to \$ 38,700	\$ 9,325 to \$ 37,950	15%
22%	\$ 38,700 to \$ 82,500	\$ 37,950 to \$ 76,550	25%
24%	\$ 82,500 to \$ 157,500	\$ 76,550 to \$ 116,675	28%
32%	\$ 157,500 to \$ 200,000	\$ 116,675 to \$ 208,350	33%
35%	\$ 200,000 to \$ 300,000	\$ 208,350 to \$ 235,350	35%
37%	\$ 300,000 and above	\$ 235,350 and above	39.6%

Trust and Estate

2018 Tax Rate	2018 Taxable Income	2017 Taxable Income	2017 Tax Rate
10%	\$ 0 to \$ 2,550	\$ 0 to \$ 2,550	15%
24%	\$ 2,600 to \$ 6,000	\$ 2,550 to \$ 6,000	25%
24%	\$ 6,000 to \$ 9,150	\$ 6,000 to \$ 9,150	28%
35%	\$ 9,150 to \$ 12,500	\$ 9,150 to \$ 12,500	33%
37.0%	\$ 12,500 and above	\$ 12,500 and above	39.6%

Corporation

2018 Tax Rate	2018 Taxable Income	2017 Taxable Income	2017 Tax Rate
21%	\$ 0 to \$ 50,000	\$ 0 to \$ 50,000	15%
21%	\$ 50,000 and above	\$ 50,000 to \$ 75,000	25%
		\$ 75,000 to \$ 100,000	34%
		\$ 100,000 to \$ 335,000	39%
		\$ 335,000 to \$ 10,000,000	34%
		\$ 10,000,000 to \$ 15,000,000	35%
		\$ 15,000,000 to \$ 18,333,333	38%
		\$ 18,333,333 and above	35%

STANDARD DEDUCTION

STATUS	2018	2017
MFJ & Surviving Spouse	24,000	12,700
Add if Age 65+	1,300	1,250
Unmarried Individual	12,000	6,350
Add if Age 65+	1,600	1,550
Head of Household	18,000	9,350
Married Filing Separate	12,000	6,350
Dependant	1,000	1,000
"Kiddie Tax"	1,050	1,050

EXEMPTION

	2018	2017
Per Exemption	Eliminated	4,050

EARNED INCOME CREDIT MAXIMUM

Children	2018	2017
0	520	510
1	3,468	3,400
2	5,728	5,616
3 or More	6,444	6,318

EARNED INCOME Minimum Income for Max Credit

Children	2018	2017
0	6,800	6,670
1	10,200	10,000
2 or more	14,320	14,040

EARNED INCOME CREDIT PHASEOUT STARTS

Children	2018	2017
0	8,510	8,340
1 or More	18,700	18,340

EARNED INCOME CREDIT ENDS AT A.G.I. FOR MARRIED FILING JOINTLY

Children	2018	2017
0	21,000	20,600
1	46,102	45,207
2	51,598	50,597
3 or More	54,998	53,930

EARNED INCOME CREDIT ENDS AT A.G.I. FOR SINGLE OR HEAD OF HOUSEHOLD

Children	2018	2017
0	15,310	15,010
1	40,402	39,617
2	45,898	45,007
3 or More	49,298	48,340

MAXIMUM INVESTMENT INCOME LIMIT FOR EARNED INCOME CREDIT

	2018	2017
	3,500	3,450

The Home for Tax and Accounting Professionals



12/20/2017 Based on preliminary reviews of Tax Cut & Jobs Act of 2017.

Prepared by the Independent Accountants Association of Illinois, Richard P Allen, EA

ADDITIONAL ITEMS

EXCLUSION FOR PASS-THROUGH ENTITY INCOME

Pass-through Limitation of Entity Income

	2018	2017
	20%	none
Married Taxpayer	315,000	
Single Taxpayer	157,500	

MARRIED FILING JOINT Phaseout Begins on Itemized Deductions, Exemptions

SINGLE Phaseout Begins on Itemized Deductions, Exemptions

Head of Household Phaseout Begins on Itemized Deductions, Exemptions

Married Filing Separately Phaseout Begins on Itemized Deductions, Exemptions

CHILD TAX CREDIT (For 2018, Refundable Credit limited to 1,400)

CHILD TAX CREDIT Phaseout Begins for Married Couples

OTHER DEPENDENT TAX CREDIT

320,000	313,800
266,700	261,500
293,350	287,650
160,000	156,900
2,000*	1,000
400,000	110,000
500	none

Reduced Taxes on Long Term Capital Gains and Qualified Dividends

			Cap Gain Phaseout Starts	
LONG TERM CAPITAL GAIN TAX in 10% & 15% Tax Brackets	0%	Singles		418,400
LONG TERM CAPITAL GAIN TAX in Tax Brackets below Phaseout	15%	Head of Household		444,450
LONG TERM CAPITAL GAIN TAX in Tax Brackets above Phaseout	20%	Joint Filers	479,000	470,700

Section 179 Expensing Cap

AMT Exemption: MFJ or Surviving Spouse

AMT Exemption: SINGLE or Head of Household

AMT Exemption: Married Filing Separately

AMT Exemption: Child Subject to "Kiddie Tax" - Add the following to Earned Income

1,000,000	500,000
109,400	84,500
70,300	54,300
54,700	42,250
7,650	7,500

IRA Maximum Under Age 50

IRA Maximum At Least Age 50

Beginning AGI for Traditional IRA Deduction Phaseout for Retirement Plan Participants

Married Filing Joint or Surviving Spouse

Married Filing Joint (Spouse is not an active retirement plan participant)

SINGLE or Head of Household

Married Filing Separately

Roth IRA Recharacterization

5,500	5,500
6,500	6,500
101,000	99,000
189,000	186,000
63,000	62,000
0	0
eliminated	allowed
18,500	18,000
24,500	24,000

401(k), 403(b), 457, SARSEP & Solo(k) Maximum Under Age 50

401(k), 403(b), 457, SARSEP & Solo(k) Maximum At Least Age 50

Beginning AGI for Roth IRA Deduction Phaseout

Married Filing Joint or Surviving Spouse

SINGLE or Head of Household

Married Filing Separately

189,000	186,000
120,000	118,000
10,000	10,000

Moving Expense Deduction

Allimony Paid Deduction (2019 repeal applies to post 2018 agreements. Alimony received will not be taxed)

only military	allowed
2019 repeal*	allowed

Medical Expenses

Exclusion (Note Retroactive Change for 2017 from 10%.)

Maximum Long Term Insurance Care Deduction – Age 40 or under

Maximum Long Term Insurance Care Deduction – Age 41 to 50

Maximum Long Term Insurance Care Deduction – Age 51 to 60

Maximum Long Term Insurance Care Deduction – Age 61 to 70

Maximum Long Term Insurance Care Deduction – Over Age 70

7.5%	7.5%
420	410
750	770
1,560	1,530
4,160	4,090
5,200	5,110

State & Local Taxes (Income, Sales, Property Taxes)

10,000	no limit
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Mortgage Interest Deduction (* Loan limits reduced for new loans. New Home Equity eliminated.)

limits *	limits
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Miscellaneous Deductions (Subject to 2% Exclusion)

no deduction	2% exclusion
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American Opportunity Credit for First 4 Years of Higher Education: \$2,500 Maximum

Married Filing Jointly (Married Filing Separately Are Not Eligible)

All Others (Except MFS above)

MAGI* PHASEOUT BEGINS	
160,000	160,000
80,000	80,000

Lifetime Learning Credit for First 4 Years of Higher Education: \$2,000 Maximum

Married Filing Jointly (Married Filing Separately Are Not Eligible)

All Others (Except MFS above)

MAGI* PHASEOUT BEGINS	
114,000	112,000
57,000	56,000

Additional Medicare Taxes on Higher Incomes

0.9% Surtax on WAGES and Self Employment Income starts at \$200,000 (\$250,000 for MFJ).
3.8% Surtax on NET INVESTMENT INCOME starts at \$200,000 (\$250,000 for MFJ).

Estate & Gift Taxes

GIFT TAX EXCLUSION - ANNUAL
ESTATE & GIFT TAX LIFETIME EXCLUSION

2018	2017
15,000	14,000
11,200,000	5,490,000

Social Security Limits

Maximum Wages Subject to Social Security
Maximum Earnings to Receive Benefits before Phaseout Starts - Under Full Retirement Age
Maximum Earnings to Receive Benefits before Phaseout Starts - Year Reaching Full Retirement
Maximum Earnings to Receive Benefits before Phaseout Starts - After Full Retirement Age

128,700	127,200
17,040	16,920
45,360	44,880
No Limit	No Limit

Basic Monthly Medicare Premiums

134.00	134.00
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Auto Mileage Deduction

(Cents Per Mile)

Business
Charity Work
Medical & Moving

54.5	53.5
14	14
18	17

Affordable Care Mandate with Tax Penalty. Mandate repealed effective 1/1/2019

in place	in place
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529 Education Plans (2018 adds \$10,000 for private and religious schools, in grades K-12.)

adds others	college only
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Personal Service Corporations

Flat Tax Rate on Net Income

35%	35%
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Foreign Profits of U.S. Corporations

Tax on Repatriation of Currently Deferred Foreign Corporation Profits
Tax on Repatriation of Foreign Corporation Earnings

15.5%	35%
8%	35%