

Comparison of Major Tax Reform Provisions Impacting Individuals

INDIVIDUAL TAX AREA	2017 LAW	2018 TAX REFORM
Individual Tax Rates	Seven tax brackets (10%, 15%, 25%, 28%, 33%, 35%, and 39.6%)	Seven tax brackets (10%, 12%, 22%, 24%, 32%, 35%, and 37%)
Family Tax Credits	Child tax credit is up to \$1,000 per child	Increases the child tax credit from \$1,050 to \$2,000 (up to \$1,400 fully refundable) Provides a \$500 credit per non-child dependent
Individual Alternative Minimum Tax (AMT)	Imposes 26% or 28% minimum tax with certain exemptions and exemption phase-outs	Increases individual AMT exemption and phase-out thresholds so that fewer people would be subject to AMT
Estate Tax	Imposes estate tax of 18% – 40% on decedents with estates over \$5.49M	Doubles the \$5.6M estate tax exemption for decedents dying after 2017 and before 2026
Affordable Care Act (ACA) Individual Mandate	Imposes a penalty on individuals who do not maintain essential minimum health coverage	Repeals the penalty imposed on individuals for failing to have health insurance (beginning in 2019)
Mortgage Interest Deduction	Mortgage interest is deductible on loans up to \$1M Home equity loan interest is deductible on loans up to \$100k	Keeps current mortgage interest deduction for existing mortgages on primary residence, but caps the deduction for future loans at \$750,000 Eliminates the current deduction for interest on home equity loans
Education-Related	Up to \$2,500 of student loan interest is deductible (subject to phase-out) Deduction for tuition and related education expenses expired after 2016 Graduate students are not taxed on free tuition they receive from educational institutions	No change from existing law No change – law was allowed to expire after 2016 No change from existing law



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