## **Tax Cuts and Jobs Act**

<ul> <li>Exclusion of gain from sale</li> <li>Medical expenses</li> <li>Student loan interest*</li> <li>No change to current law.</li> <li>Lowers threshold to 7.5% of AGI for 2017 and 2018.</li> <li>Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.</li> </ul>	For Individuals	Changes
Alternative minimum tax*  Increases exemption to \$70,300 (single) and \$109,400 (MF) with phase-out at \$500,000 (single) and \$1 million (MF).  Repeals.  Standard deduction*  Obubles to \$12,000 / \$24,000 (single/MF).  Caps deduction for state and local income taxes, sales taxes and property taxes at \$10,000 combined. Precludes deduction of 2018 income tax liabilities paid at the end 2017, but it's okay to pre-pay 2017 estimated taxes prior to December 31, 2017. Restriction on prepayment only applies to state income taxes and not property taxes.  Interest limited on loans after December 15, 2017, to \$750,000 of debt principal. Existing loans grandfathered at \$1 million. The limits apply to first and second homes. Refinancing of existing mortgage debt permitted but only to current principal amount (cash-out portion is ineligible).  Home equity interest*  Eliminates (unless used for acquisition indebtedness and subject to mortgage interest limits).  No change to current law.  Lowers threshold to 7.5% of AGI for 2017 and 2018.  Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.  Alimony  Increases and home on longer deductible and payments received no longer taxable for divorces finalized after 2018.  Increases cash contributions eligible for deductions to public charities to 60% of AGI.  Eliminates.  Child and family tax credits  Signals and Signals and Signals and Signals and Signals with phase-outs at \$200,000 (single) and \$400,000 (MF).  Retirement plans  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed t	Tax Rates*	10%, 12%, 22%, 24%, 32%, 35%, 37%.
Repeals	Adjusted Gross Income (AGI) top rate	Above \$500,000 for individuals and \$600,000 married filing jointly (MFJ).
Itemized deduction* Caps deduction for state and local income taxes, sales taxes and property taxes at \$10,000 combined. Precludes deduction for state and local income taxes, sales taxes and property taxes at \$10,000 combined. Precludes deduction of 2018 income taxes, sales taxes and property taxes at \$10,000 combined. Precludes deduction of 2018 income taxes, sales taxes and property taxes.  Nortgage interest* Interest limited on loans after December 15, 2017, to \$75,000 of debt principal. Existing loans grandfathered at \$1 million. The limits apply to first and second homes. Refinancing of existing mortgage debt permitted but only to current principal amount (cash-out portion is ineligible).  Home equity interest* Eliminates (unless used for acquisition indebtedness and subject to mortgage interest limits).  No change to current law.  Lowers threshold to 7.5% of AGI for 2017 and 2018.  Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.  Hiscellaneous deductions Eliminates.  Alimony Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.  Chairtable contributions Increases cash contributions eligible for deductions to public charities to 60% of AGI.  Eliminates.  Child and family tax credits Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MFI).  Retirement plans Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of M-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engine	Alternative minimum tax*	
Caps deduction	Personal exemptions*	Repeals.
temized deductions State and local income taxes/Property taxes State and local income taxes/Property taxes State and local income taxes/Property taxes Interest limited on loans after December 15, 2017, to \$750,000 of debt principal. Existing loans grandfathered at \$1 million. The limits apply to first and second homes. Refinancing of existing mortgage debt permitted but only to current principal amount (cash-out portion is ineligible).  Home equity interest* Eliminates (unless used for acquisition indebtedness and subject to mortgage interest limits).  No change to current law. Medical expenses Lowers threshold to 7.5% of AGI for 2017 and 2018. Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.  Miscellaneous deductions Eliminates. Alimony Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.  Charitable contributions Increases cash contributions eligible for deductions to public charities to 60% of AGI. Eliminates.  Child and family tax credits Szoo,000 (single) and \$400,000 (MFJ).  No change to current law. Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans Retirement plans Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of VV-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related business; income its below certain taxable income translol for the service-related business; income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Standard deduction*	Doubles to \$12,000 / \$24,000 (single/MFJ).
<ul> <li>Mortgage interest*</li> <li>grandfathered at \$1 million. The limits apply to first and second homes. Refinancing of existing mortgage debt permitted but only to current principal amount (cash-out portion is ineligible).</li> <li>Home equity interest*</li> <li>Eliminates (unless used for acquisition indebtedness and subject to mortgage interest limits).</li> <li>Exclusion of gain from sale</li> <li>No change to current law.</li> <li>Lowers threshold to 7.5% of AGI for 2017 and 2018.</li> <li>Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.</li> <li>Miscellaneous deductions</li> <li>Eliminates.</li> <li>Alimony</li> <li>Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.</li> <li>Charitable contributions</li> <li>Increases cash contributions eligible for deductions to public charities to 60% of AGI.</li> <li>Eliminates.</li> <li>Child and family tax credits</li> <li>Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MFI).</li> <li>Electric vehicle tax credit</li> <li>Affordable Care Act (ACA) individual mandate</li> <li>Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.</li> <li>Retirement plans</li> <li>Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.</li> <li>Tax lot accounting</li> <li>No change to current law.</li> <li>Extate tax*</li> <li>Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.</li> <li>Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis o</li></ul>		combined. Precludes deduction of 2018 income tax liabilities paid at the end of 2017, but it's okay to pre-pay 2017 estimated taxes prior to December 31, 2017. Restriction on prepayment
<ul> <li>Exclusion of gain from sale</li> <li>Medical expenses</li> <li>Lowers threshold to 7.5% of AGI for 2017 and 2018.</li> <li>Student loan interest*</li> <li>Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.</li> <li>Miscellaneous deductions</li> <li>Eliminates.</li> <li>Alimony</li> <li>Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.</li> <li>Charitable contributions</li> <li>Increases cash contributions eligible for deductions to public charities to 60% of AGI.</li> <li>Eliminates.</li> <li>Child and family tax credits</li> <li>Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MF).</li> <li>Electric vehicle tax credit</li> <li>No change to current law.</li> <li>Reduces penalty to \$0.</li> <li>Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.</li> <li>Retirement plans</li> <li>Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.</li> <li>No change to current law.</li> <li>Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.</li> <li>Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.</li> </ul>	Mortgage interest*	grandfathered at \$1 million. The limits apply to first and second homes. Refinancing of existing
<ul> <li>Medical expenses</li> <li>Lowers threshold to 7.5% of AGI for 2017 and 2018.</li> <li>Student loan interest*         <ul> <li>Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.</li> </ul> </li> <li>Miscellaneous deductions</li> <li>Eliminates.</li> <li>Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.</li> <li>Charitable contributions</li> <li>Increases cash contributions eligible for deductions to public charities to 60% of AGI.</li> <li>Pease limitation*</li> <li>Eliminates.</li> <li>Child and family tax credits</li> <li>Sz00,000 (single) and \$400,000 (MFJ).</li> <li>Electric vehicle tax credit</li> <li>No change to current law.</li> <li>Reduces penalty to \$0.</li> <li>Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.</li> <li>Retirement plans</li> <li>Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.</li> <li>No change to current law.</li> <li>Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.</li> <li>Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of ungineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,002-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income thresholds (\$157,000 for worthose same tax taxable income thresholds).</li> </ul>	Home equity interest*	Eliminates (unless used for acquisition indebtedness and subject to mortgage interest limits).
Income from discharge of debt due to death or disability no longer taxable. Student loan interest remains deductible.  Miscellaneous deductions Eliminates. Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018. Charitable contributions Increases cash contributions eligible for deductions to public charities to 60% of AGI. Eliminates. Child and family tax credits Electric vehicle tax credit Affordable Care Act (ACA) individual mandate S200,000 (single) and \$400,000 (MFJ).  No change to current law. Reduces penalty to \$0. Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs. No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related business, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction or those same tax taxable income ranges.	Exclusion of gain from sale	No change to current law.
remains deductible.  Miscellaneous deductions  Eliminates.  Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.  Increases cash contributions eligible for deductions to public charities to 60% of AGI.  Pease limitation*  Eliminates.  Child and family tax credits  Eliminates.  Child and family tax credits  Affordable Care Act (ACA) individual mandate  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Bestate tax*  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Medical expenses	Lowers threshold to 7.5% of AGI for 2017 and 2018.
Payments made no longer deductible and payments received no longer taxable for divorces finalized after 2018.  Charitable contributions Increases cash contributions eligible for deductions to public charities to 60% of AGI.  Eliminates.  Child and family tax credits Shout tax credits Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MFI).  Electric vehicle tax credit No change to current law.  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFI). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Student loan interest*	
finalized after 2018.  Charitable contributions  Increases cash contributions eligible for deductions to public charities to 60% of AGI.  Pease limitation*  Eliminates.  Child and family tax credits  Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MFJ).  Electric vehicle tax credit  No change to current law.  Affordable Care Act (ACA) individual mandate  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse.  Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Miscellaneous deductions	Eliminates.
Pease limitation*  Eliminates.  Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MFJ).  Electric vehicle tax credit  Affordable Care Act (ACA) individual mandate  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse.  Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesss he taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	• Alimony	
Increases to \$2,000 per qualifying child and \$500 per non-qualifying child with phase-outs at \$200,000 (single) and \$400,000 (MFJ).  Belectric vehicle tax credit  No change to current law.  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Bestate tax*  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse.  Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Charitable contributions	Increases cash contributions eligible for deductions to public charities to 60% of AGI.
\$200,000 (single) and \$400,000 (MFJ).  Electric vehicle tax credit  Affordable Care Act (ACA) individual mandate  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Estate tax*  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	• Pease limitation*	Eliminates.
Affordable Care Act (ACA) individual mandate  Reduces penalty to \$0.  Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Child and family tax credits	
Expands to include public, private and religious (K-12) primary and secondary schools, with a \$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Electric vehicle tax credit	No change to current law.
\$10,000 per student annual limit.  Retirement plans  Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse.  Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Affordable Care Act (ACA) individual mandate	Reduces penalty to \$0.
Tax lot accounting  No change to current law.  Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse. Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	529 plans	
Doubles estate and gift tax exemption to \$11 million. Maintains portability for surviving spouse.  Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Retirement plans	Repeals ability to re-characterize Roth IRA conversions back to Traditional IRAs.
Retains step-up in basis and 40% tax rate.  Creates a deduction equal to 20% of qualified business income. The deduction cannot exceed the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Tax lot accounting	No change to current law.
the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax taxable income ranges.	Estate tax*	
Carried interest Introduces three-year minimum holding period.	Pass-through income	the greater of (1) 50% of W-2 wages paid by the business or (2) 25% of those wages plus 2.5% of unadjusted basis of depreciable property. Personal service-related businesses, except for engineering and architecture, will generally not qualify for the deduction unless the taxpayer's income is below certain taxable income thresholds (\$157,500-\$207,500 single, \$315,000-\$415,000 MFJ). Within those limited ranges, the deduction for the service-related business income will be phased out. The 50% and 25% wage limits are phased in over those same tax
	Carried interest	Introduces three-year minimum holding period.

<sup>\*</sup>Changes expire at end of 2025.

## **Tax Cuts and Jobs Act**

For Corporations	Changes
Tax Rates (%)	21% effective 2018.
Deferred foreign profits tax	15.5% of untaxed repatriated profits in liquid assets and 8.0% of untaxed repatriated profits in illiquid assets.
International income	Territorial system (100% exemption).
Cash accounting	Increases eligibility from \$5 million to \$25 million.
Alternative minimum tax	Repeals.
Depreciation	100% expensing of capital expenditures excluding utilities (phases out from 2023 to 2027). Qualified property must only be new to taxpayer and not new in general.
Interest deductibility	Limited to business interest income plus 30% of adjusted taxable income (ATI). Depreciation and amortization expenses are added back to ATI until 2021. Businesses with average annual gross receipts less than \$25 million in prior three years are exempt.
Private activity bonds	No change to current law.
Like-kind exchanges (1031)	Repeals for non-real estate transactions.
Entertainment expenses	Bars any deduction for any activity generally considered entertainment, amusement or recreation.