

| <b>Income taxes</b>     | CURRENT LAW  | G.O.P. BILL  |
|-------------------------|--|--|
| Tax brackets            | Seven  | Seven, lower over all  |
| Top rate                | 39.6%  | 37%  |
| starts at:              | \$426,700 / \$480,050<br>(singles/couples)                   | \$500,000 / \$600,000<br>(singles/couples)                                       |
| Alternative Minimum Tax | Alternative income tax calculation for high-income taxpayers | Keeps, but <b>increases exemption</b> so fewer will pay it<br>\$70,300/\$109,400 |

New Tax Bracket

| Single Filers                              | Married Joint Filers                       |
|--|--|
| 10%- Total yearly income up to \$9,525     | 10%- Total yearly income up to \$19,050    |
| 12%- Income between \$9,526 to \$38,700    | 12%- Income between \$19,051 to \$77,400   |
| 22%- Income between \$38,701 to \$82,500   | 22%- Income between \$77,401 to \$165,000  |
| 24%- Income between \$82,501 to \$157,500  | 24%- Income between \$165,001 to \$315,000 |
| 32%- Income between \$157,501 to \$200,000 | 32%- Income between \$315,001 to \$400,000 |
| 35%- Income between \$200,001 to \$500,000 | 35%- Income between \$400,001 to \$600,000 |
| 37%- Income over \$500,000                 | 37%- Income over \$600,000                 |

### Standard deduction and exemptions

|                     |   |  |
|---------------------|---|--|
| Standard deduction  | \$6,500 / \$13,000<br>(singles/couples) | \$12,000 / \$24,000<br>(singles/couples) |
| Personal exemptions | \$4,150 per taxpayer and dependent      | Eliminates                               |


### Family tax credits

|   |   |   |
|---|---|---|
| Child tax credit                          | \$1,000                                   | \$2,000<br>Increase child tax credit and phaseout threshold |
| Refundable portion:                       | 15% of earnings over \$3,000              | Up to \$1,400   |
| Credit for other dependents               | None                                      | \$500   |
| Family tax credits phase out starting at: | \$75,000 / \$110,000<br>(singles/couples) | \$200,000 / \$400,000<br>(singles/couples)                  |


\* No cap in 2017. Prepay your property tax by year

\* Make more estimated tax payment. Even if you overpay, the refund will be taxed at new 2018 rate

## Itemized deductions


|                                      |   |  |
|--------------------------------------|---|--|
| State and local tax deduction        | Income or sales and property taxes are deductible                           | All state and local tax deductions limited to \$10,000  |
| Mortgage interest deduction          | Can deduct interest payments on up to \$1 million of debt                   | Limited to payments on \$750,000 of debt<br>Current mortgage-holders are grandfathered   |
| Moving expenses                      | Can deduct personal expenses  | Eliminates, except for members of the military   |
|                                      | Employer-provided expense reimbursements are excluded                       | Eliminates, except for members of the military   |
| Medical expenses deduction           | Can deduct out-of-pocket expenses in excess of 10% of adjusted gross income | Expands by reducing threshold to 7.5% of income<br>Applies to 2017 and 2018  |
| Overall limit on itemized deductions | Phase out beginning at \$266,700 / \$320,000 (singles/couples)              | Repeals  |

Take advantage: Defer your business income to 2018

|                     |   |  |
|---------------------|---|--|
| Pass-through income | Taxed at individual rates                               | 20% deduction, phasing out starting at \$315,000 of income for couples  |
| Capital gains       | Top rate of 23.8% (including net investment income tax) | No change  |

Good news for corporations with net income over \$50,000

## Corporate taxes

|                             | CURRENT LAW                                       | G.O.P. BILL   |
|-----------------------------|---|---|
| Top corporate tax rate      | 35%   | 21%  |
| Business interest deduction | Generally fully deductible                        | Caps deduction at 30% of income (excluding depreciation)                                  |
| Alternative Minimum Tax     | Alternative income tax calculation for businesses | Eliminates  |