

2017 Tax Cuts and Jobs Act

On December 22, 2017, President Trump signed into law the 2017 Tax Cuts and Jobs Act. Nearly everything in the Act went into effect on January 1, 2018, with one or two items retroactively effective.

Below are highlights for some items the Act changed.

Item	Expired 12/31/2016	Extended by Act	Repealed by Act	Still in effect Unmodified by Act	Comments
Alimony-Deduction and Income			X		Repealed for divorces after 12/31/18
AMT-C Corporations			X		Repealed
AMT-Individuals		X			Increased exemption
Alternative refueling property credit	X				
Blind/Elderly additional standard deduction		X			
Bonus depreciation		X			Rate increased to 100%, now applies to used property
Capital gains rates		X			
Cash Method of Accounting		X			Now \$25 million threshold
Casualty losses			X		Repealed 12/31/17 except disaster area
Child <17 Credit		X			Doubled
COD exclusion on principal residence	X				
Commuter car, bicycle, transit pass fringe benefit			X		Repealed 12/31/17
C Corporation tax rate					Reduced to 21% flat rate
Coverdell Savings				X	
Dependent Credit-\$500 New					
Domestic Production Activities Deduction (Sec. 199)			X		Repealed 12/31/17
Electric car credit				X	No change
Energy Efficient New Home Credit	X				
Entertainment			X		Repealed
Employee Business Expenses			X		Repealed 12/31/17
Employer family leave credit					New credit
Equity interest deduction			X		Repealed 12/31/17
Estate tax		X			Doubled exemption for estate and gifts

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Flow through entity 20% deduction					New deduction
Gambling losses				X	
Gain on sale of principal residence				X	
Geothermal heat pump credit	X				
Graduate student tuition waivers				X	
Home Equity Interest deduction			X		Repealed 12/31/17
Investment Expenses			X		Repealed 12/31/17
Individual insurance mandate			X		Repealed after 2018
Lifetime Learning Credit				X	
Luxury car depreciation		X			Increased
Medical itemized deduction		X			Reverts to 7.5% base for all taxpayers thru 12/31/18
Medicare .9% Surtax		X			
Misc 2% itemized deductions			X		Repealed 12/31/17
MIP deduction as mortgage interest	X				
Mortgage interest deduction		X			Modified for new loans to \$750k limit
Moving expenses			X		Repealed
Net Investment Income 3.8% surtax		X			
New markets tax credit				X	
Personal Exemption			X		Repealed 12/31/17
Personal Residence Energy Efficiency Credit	X				
Personal residence gain exclusion				X	Ended up no change
Personal residence holding period change				X	Ended up no change
Race horse 3 year life when 2 or younger	X				
Recharacterization of IRA to Roth conversion			X		Repealed 12/31/17
Rehab credit		X	X		Repealed for some renovations
Retirement Plans				X	No significant changes
Section 179 Expense		X			Doubled
Section 263A addback to inventory			X		Repealed if revenues <\$25 million

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Standard Deduction		X			Doubled
State and local income, property and sales tax					Limited to \$10,000 annually no 2017 prepayment of income tax
Student loan interest				X	
Tax Preparation Fees-Non Business			X		
Teacher's \$250 deduction		X			
Tuition and Fees Deduction	X				
Turbo Tax Software deduction			X		
Work Opportunity Credits				X	