

HAPPY NEW YEAR!

AS YOU HAVE NO DOUBT HEARD IN THE NEWS, THERE ARE MANY NEW TAX LAWS THAT WILL AFFECT MOST EVERYONE'S TAX RETURNS.

THE CHALLENGING PART IS THAT NOT EVERYONE WILL BE AFFECTED THE SAME WAY.

HERE ARE A FEW OF THE CHANGES:

- Standard Deductions have changed drastically (almost doubled in some cases)
- Exemption deductions have been eliminated for each taxpayer and dependents
- Tax brackets have changed.
- Child Tax Credits have increased.
- State, local and real estate tax deductions are limited to \$10,000
- Medical expenses that exceed 7.5% of your income could be deductible
- A new 20% deduction for income from certain partnerships, S Corps, and sole proprietors.
- Unreimbursed job expenses no longer deductible
- Brokerage and advisor fees are no longer deductible
- Residential Energy Credit: tax credit is 30% of installation cost of solar energy systems (water heaters, solar panels)
- Capital Gains and Dividend Rates remain unchanged
- Mileage rate is 54.5 cents per mile
- Charitable mileage rate is 14 cents per mile
- Medical mileage rate is 18 cents per mile

*Will you itemize? Can you take advantage of the medical expense deduction?
Does the new child tax credit limits affect you? What will my new tax bracket be?*

The only way to answer these questions is to actually review your tax documents after you drop them off to us. There is no "one size fits all" answer to these.

Please be patient with us as we do our best to apply these new tax laws and get you the best possible outcome.