



## **2018 Income Tax Changes**

**Standard deduction amount increased.** For 2018, the standard deduction amount has been increased for all filers, and the amounts are as follows.

- Single or Married Filing Separately—\$12,000.
- Married Filing Jointly or Qualifying Widow(er)—\$24,000.
- Head of Household—\$18,000.

Due to the increase in the standard deduction and reduced usage of itemized deductions, you may want to consider filing a new Form W-4.

**Deduction for personal exemptions suspended.** For 2018, you can't claim a personal exemption deduction for yourself, your spouse, or your dependents.

**Changes to itemized deductions.** For 2018, the following changes have been made to itemized deductions that can be claimed on Schedule A.

- Your itemized deductions are no longer limited if your adjusted gross income is over a certain amount.
- You can deduct the part of your medical and dental expenses that is more than 7.5 percent of your adjusted gross income.
- Your deduction of state and local income, sales, and property taxes is limited to a combined, total deduction of \$10,000 (\$5,000 if married filing separately).
- You can no longer deduct job-related expenses or other miscellaneous itemized deductions that were subject to the 2 percent of AGI floor. You may still deduct certain other items on Schedule A, such as gambling losses.
- For indebtedness incurred after December 15, 2017, the deduction for home mortgage interest is limited to interest on up to \$750,000 of home acquisition indebtedness. This new limit doesn't apply if you had a binding contract to close on a home after December 15, 2017, and closed on or before April 1, 2018, and the prior limit would apply.
- You can no longer deduct interest on home equity indebtedness, which means indebtedness not incurred for the purpose of buying, building, or substantially improving the qualified residence secured by the indebtedness.
- The limit on charitable contributions of cash has increased from 50 percent to 60 percent of your adjusted gross income.

**Moving expenses no longer deductible.** For 2018, you can no longer deduct your moving expenses unless you are a member of the Armed Forces on active duty.

**Child tax credit and additional child tax credit.** For 2018, the maximum credit increased to \$2,000 per qualifying child. The maximum additional child tax credit increased to \$1,400. In addition, the income threshold at which the credit begins to phase out is increased to \$200,000 (\$400,000 if married filing jointly).

**Credit for other dependents.** A new credit of up to \$500 is available for each of your dependents who does not qualify for the child tax credit. In addition, the maximum income threshold at which the credit begins to phase out is increased to \$200,000 (\$400,000 if married filing jointly).

**Social security number (SSN) required for child tax credit.** Your child must have an SSN issued before the due date of your 2018 return (including extensions) to be claimed as a qualifying child for the child tax credit or additional child tax credit. If your dependent child has an ITIN, but not an SSN, issued before the due date of your 2018 return (including extensions), you may be able to claim the new credit for other dependents for that child.