

**Tax Cuts and Jobs Act of 2017 (TCJA)
Key Individual Tax Provisions**

<i>Item</i>	<i>IRC §</i>	<i>Effective Date</i>	<i>New Law</i>	<i>Before Law Change</i>
Income Tax Rates and Exemptions				
Tax Rates and Brackets	1(j)	2018–2025	The following seven tax brackets apply for individuals: 10%, 12%, 22%, 24%, 32%, 35% and 37%. The specific brackets and the income levels at which they apply, compared to prior law, are shown in the <i>Individual Income Tax Rates</i> chart on Page 7.	The following seven tax brackets applied for individuals: 10%, 15%, 25%, 28%, 33%, 35% and 39.6%.
Kiddie Tax	1(j)(4)	2018–2025	The taxable income of a child attributable to earned income is taxed under the rates for single individuals, and taxable income of a child attributable to net unearned income is taxed according to the brackets applicable to trusts and estates. This rule applies to the child's ordinary income and his income taxed at preferential rates.	The net unearned income of a child was taxed at the parents' tax rates if the parents' tax rates were higher than the tax rates of the child. The remainder of the child's taxable income [earned income, plus unearned income up to \$2,100 (for 2018), less the child's standard deduction] was taxed at the child's rates.
Personal Exemption Deduction	151(d)	2018–2025	The deduction for personal exemptions is eliminated.	The deduction for each personal exemption was \$4,150 for 2018, subject to a phaseout for higher earners.
Standard and Itemized Deductions				
Standard Deduction	63(c)(7)	2018–2025	The standard deduction is increased to \$24,000 for MFJ, \$18,000 for HOH and \$12,000 for all other taxpayers, adjusted for inflation in tax years after 2018. No changes are made to the current-law additional standard deduction for the elderly and blind.	For 2018, the standard deduction amounts were to be: \$6,500 for single and MFS, \$9,550 for HOH and \$13,000 for MFJ. Additional standard deductions may be claimed by taxpayers who are elderly or blind.
Medical Expense Deduction	213(f), 56(b)(1)	2017–2018	The threshold for medical expense deductions is 7.5%-of-AGI. In addition, the rule limiting the medical expense deduction for AMT purposes to the excess of such expenses over 10%-of-AGI doesn't apply.	The threshold was 10%-of-AGI for both regular tax and AMT.
State and Local Tax Deduction	164(b)(6)	2018–2025	The itemized deduction for state and local taxes is limited to \$10,000 (\$5,000 for MFS) of the aggregate of (1) state and local property taxes and (2) state and local income, war profits and excess profits taxes (or sales taxes in lieu of income, etc. taxes) paid or accrued in the tax year. Caution: The provision also includes a rule stating that an individual may not claim an itemized deduction in 2017 on a pre-payment of income tax for a future tax year in order to avoid the dollar limitation applicable for tax years beginning after 2017.	Real estate taxes and personal property taxes were fully deductible (as were state and local income taxes, unless the taxpayer elected to deduct state and local sales taxes instead).
Mortgage Interest Deduction	163(h)(3)	2018–2025	The deduction for mortgage interest is limited to underlying indebtedness of up to \$750,000 (\$375,000 for MFS). The deduction for interest on home equity indebtedness is eliminated. Note: The new lower limit doesn't apply to any acquisition indebtedness incurred on or before 12/15/17.	Qualified residence interest, which included interest paid on a mortgage secured by a principal residence or a second residence was deductible to the extent the underlying mortgage loans were acquisition indebtedness of up to \$1 million, plus home equity indebtedness of up to \$100,000.

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