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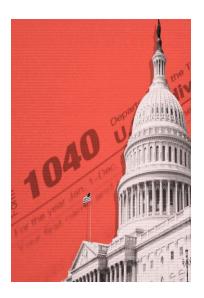


Tax Cuts & Jobs Act

Thank you for the opportunity to share an update on the new tax law provisions that will affect individuals. These changes will primarily be effective starting in 2018, but there are a few exceptions. This law provides simplification in a few areas by eliminating many tax provisions, but as you will see, there are also added complexities.

Minimizing taxes is all about planning ahead and knowing the rules, so we are here to help you with that!

Tax Cuts & Jobs Act



Tools & Links

Here are a few helpful links and tools to help you with the tax changes...

http://www.fernandezfinancial. com/financialcalc#incomesection

- ✓ Federal Income Tax Estimator
- ✓ Should I Adjust my payroll withholdings?
- ✓ Should I itemize or take standard deduction?
- ✓ 2017 Tax Refund Estimator

https://www.irs.gov/

Individual Changes for 2018...

The legislation replaces most of the seven current marginal income tax brackets (10%, 15%, 25%, 28%, 33%, 35%, and 39.6%) with corresponding lower rates: 10%, 12%, 22%, 24%, 32%, 35%, and 37%. The legislation also establishes new marginal income tax brackets for estates and trusts, and replaces existing "kiddie tax" provisions (under which a child's unearned income is taxed at his or her parents' tax rate) by effectively taxing a child's unearned income using the estate and trust rates.

Tax Brackets for 2018

Rate	Single	Married (Joint)	Head of Household
10%	\$0-\$9,525	\$0-\$19,050	\$0-\$13,600
12%	\$9,526-\$38,700	\$19,051-\$77,400	\$13,601-\$51,800
22%	\$38,701-\$82,500	\$77,401-\$165,000	\$51,801-\$82,500
24%	\$92,501-\$157,500	\$165,001-\$315,000	\$82,501-\$157,500
32%	\$157,501-\$200,000	\$315,001-\$400,000	\$157,501-\$200,000
35%	\$200,001-\$500,000	\$400,001-\$600,000	\$200,001-\$444,500
37%	\$500,001 and up	\$600,001 and up	\$444,501 and up



\$24,000 for married filing jointly



\$18,000 for head of households



\$12,000 for all other taxpayers

The Basic Changes

Here is an overall summary of the individual changes:

- Tax brackets
- The **standard deductions** nearly doubled.
- -Personal exemptions are suspended.
- -The **child tax credit** was increased to \$2,000.
- -Increased **charitable contributions** to 60%



2018 Tax Planning Tips

- -Consider the benefits for **bunching deductions** i.e. charitable contributions.
- Revisit education planning (Sec. 529 plans)
- -Consider a **Roth IRA** conversion for potential tax savings.
- 20% business deductions for small business owners.
- -Explore the expanded Sec. 179 expensing and bonus depreciation.

