



Edwin S. Fernandez, CPA/PFS

Financial Advisor

Fernandez Financial Services DBA Legacy Financial Group

9400 Holly Ave NE, Bldg. 4,

Albuquerque, NM 87122

Office# 505-839-0224

efernandez@fernandezfinancial.com

www.fernandezfinancial.com



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!



The information contained herein is not intended to be used for avoiding federal, state or local tax provisions, promoting, marketing, or recommending to another party any transaction or matter addressed herein.

Tax Cuts & Jobs Act



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.



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.

Tools & Links

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

<http://www.fernandezfinancial.com/financial-calc#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/>

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%

