

2018 / 2019 Tax Update

D.A. Davidson & Co. member SIPC

2018				INCOME TAXES				2019				UNIFORM LIFETIME TABLE	
IF TAXABLE INCOME IS: OVER BUT NOT >		THE TAX IS:		OF THE AMOUNT >		IF TAXABLE INCOME IS: OVER BUT NOT >		THE TAX IS:		OF THE AMOUNT >		For calculating Required Minimum Distributions from Qualified Plans and Traditional IRAs.	
												CURRENT AGE	DISTRIB. PERIOD
MARRIED FILING JOINTLY:	\$0	\$19,050	\$0 + 10%	\$0	MARRIED FILING JOINTLY:	\$0	\$19,400	\$0 + 10%	\$0				
	19,051	77,400	1,905 + 12%	19,050		19,401	78,950	1,940 + 12%	19,400				
	77,401	165,000	8,907 + 22%	77,400		78,951	168,400	9,086 + 22%	78,950				
	165,001	315,000	28,179 + 24%	165,000		168,401	321,450	28,765 + 24%	168,400				
	315,001	400,000	64,179 + 32%	315,000		321,451	408,200	65,497 + 32%	321,450			70	27.4
	400,001	600,000	91,379 + 35%	400,000		408,201	612,350	93,257 + 35%	408,200			71	26.5
	600,001	-----	161,379 + 37%	600,000		612,351	-----	164,709.50 + 37%	612,350			72	25.6
SINGLE:	\$0	\$9,525	\$0 + 10%	\$0	SINGLE:	\$0	\$9,700	\$0 + 10%	\$0			73	24.7
	9,526	38,700	952.50 + 12%	9,525		9,701	39,475	970 + 12%	9,700			74	23.8
	38,701	82,500	4,453.50 + 22%	38,700		39,476	84,200	4,543 + 22%	39,475			75	22.9
	82,501	157,500	14,089.50 + 24%	82,500		84,201	160,725	14,382.50 + 24%	84,200			76	22.0
	157,501	200,000	32,089.50 + 32%	157,500		160,726	204,100	32,748.50 + 32%	160,725			77	21.2
	200,001	500,000	45,689.50 + 35%	200,000		204,101	510,300	46,628.50 + 35%	204,100			78	20.3
	500,001	-----	\$150,689.50 + 37%	500,000		510,301	-----	\$153,798.50 + 37%	510,300			79	19.5
ESTATES & TRUSTS:	\$0	\$2,550	\$0 + 10%	\$0	ESTATES & TRUSTS:	\$0	\$2,600	\$0 + 10%	\$0			80	18.7
	2,551	9,150	255 + 24%	2,550		2,601	9,300	260 + 24%	2,600			81	17.9
	9,151	12,500	1,839 + 35%	9,150		9,301	12,750	1,868 + 35%	9,300			82	17.1
	12,501	-----	3,011.50 + 37%	12,500		12,751	-----	3,075.50 + 37%	12,750			83	16.3
CORPORATIONS 2018 / 2019													
Corporate Income is taxed at 21%. The corporate alternative minimum tax is discontinued from 2018 on.													
CAPITAL GAINS TAX - FOR 2018 ON:													
Under the Tax Cuts and Jobs Act 2018, the three capital gains income thresholds don't match up perfectly with the tax brackets. Instead, they are applied to maximum taxable income levels, as follows for 2018 / 2019 on:													
LONG-TERM CAPITAL GAINS RATE				SINGLE TAXPAYERS 2018 / 2019				MARRIED FILING JOINTLY 2018 / 2019					
0%				Up to \$38,600 / \$39,375				Up to \$77,200 / \$78,750					
15%				\$38,600-\$425,800 / \$39,375-\$434,550				\$77,200-\$479,000 / \$78,750-\$488,850					
20%				Over \$425,800 / \$434,550				Over \$479,000 / \$488,850					
Additional 3.8% Medicare tax on investment income, dividends and capital gains on those with AGI greater than \$200,000 single and \$250,000 married jointly under Patient Protection and Affordable Act.													
KIDDIE TAX: (Under age 19 or under age 24 full-time student with unearned income)				CHILD TAX CREDIT:									
		2018	2019										
FIRST		\$1,050	\$1,100	No tax				\$2,000 / child under age 17 in 2018 / 2019; phases out \$50 for each \$1,000 of AGI over \$400,000 (married filing jointly) or \$200,000 (single). May be eligible for "additional tax credit" on earned income in excess of \$2,500. Non-child dependents \$500 is available. \$1,400 refundable credit.					
NEXT		\$1,050	\$1,100	10% rate									
AMOUNTS OVER		\$2,100	\$2,200	(Estates & Trust Tax Rates - 2018 and ongoing)									
STANDARD DEDUCTIONS:				ADD'L AGE 65 OR OLDER, OR BLIND				ESTATE & GIFT TAXES:					
		2018	ANNUAL			EXEMPTION		EXEMPTION					
MARRIED FILING JOINTLY		2018	\$24,000	\$1,300		2018 \$11,200,000		2019 \$11,400,000					
		2019	\$24,400	\$1,300									
SINGLE		2018	\$12,000	\$1,600									
		2019	\$12,200	\$1,650									
For 2018 / 2019 on AGI phase-outs for deductions are repealed.													
ESTATE & GIFT TAXES:													
Both years adjusted for inflation and portability of exemption not used can go to surviving spouse													
Annual Gift Tax Exclusion: \$15,000 in 2018 / 2019													
GST Tax Exemption (pegged to estate tax exemption):													
\$11,200,000 / \$11,400,000 (40% rate) - 2018 / 2019													
2018 / 2019 STATE AND LOCAL TAX DEDUCTIONS													
Individuals can deduct no more than \$10,000 worth of deductions which includes a combination of property taxes and either a sales tax or state income tax.													
2018 / 2019 MORTGAGE INTEREST (Acquisition indebtedness) is capped at loans of \$750,000 started 1/1/2018.													
Home equity loans for other than home purchase, remodel etc. no longer deductible (cars, vacations etc.).													

