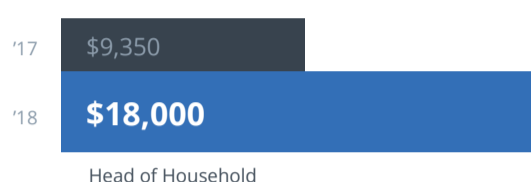
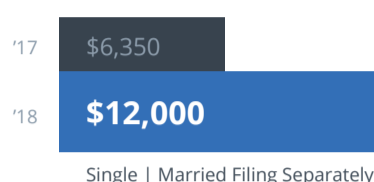


TAX REFORM

10 KEY CHANGES FOR INDIVIDUALS

1 Standard Deduction **INCREASED**

A major change from tax reform was a sharp increase in the standard deduction, close to **double the amounts** in 2017.



2 Personal Exemption **ELIMINATED**

Tax filers can **no longer claim the \$4,050** personal exemption for themselves or their dependents.



3 Child Tax Credit **EXPANDED**

For 2018, the credit **increases to \$2,000** in value from \$1,000.

A new \$500 credit for non-child dependents is also available.



* Both credits are subject to income limitations.

4 State and Local Taxes **CAPPED**

Taxpayers can **deduct up to \$10,000** in state and local income taxes.



5 ACA Individual Mandate **REPEALED**

Those who choose to not have healthcare coverage **in 2019 will not have to pay a tax penalty.**



6 Mortgage Interest Deduction **DROPPED**

Individuals who purchase a home in 2018 can **deduct mortgage interest on up to \$750,000** of acquisition indebtedness (previously \$1 million). The interest deduction on home-equity loans was eliminated.



7 Tax Brackets **ADJUSTED**

Adjustments to the tax brackets included lowering a number of the tax rates and slightly widening the income thresholds.

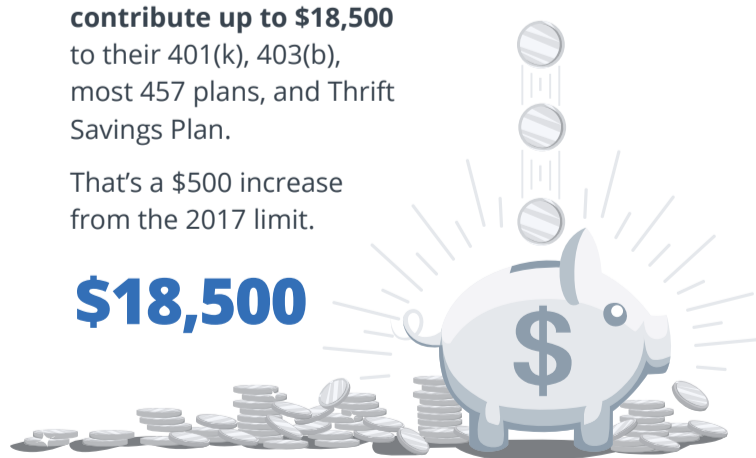
| Tax Rate | Single Filers | Married filing jointly | Married filing separately | Head of household |
|----------|-----------------------|------------------------|---------------------------|-----------------------|
| 10% | Up to \$9,525 | Up to \$19,050 | Up to \$9,525 | Up to \$13,600 |
| 12% | \$9,526 - \$38,700 | \$19,051 - \$77,400 | \$9,526 - \$38,700 | \$13,601 - \$51,800 |
| 22% | \$38,701 - \$82,500 | \$77,401 - \$165,000 | \$38,701 - \$82,500 | \$51,801 - \$82,500 |
| 24% | \$82,501 - \$157,500 | \$165,001 - \$315,000 | \$82,501 - \$157,500 | \$82,501 - \$157,500 |
| 32% | \$157,501 - \$200,000 | \$315,001 - \$400,000 | \$157,501 - \$200,000 | \$157,501 - \$200,000 |
| 35% | \$200,001 - \$500,000 | \$400,001 - \$600,000 | \$200,001 - \$300,000 | \$200,001 - \$500,000 |
| 37% | \$500,001 or more | \$600,001 or more | \$300,001 or more | \$500,001 or more |

8 Retirement Fund Contribution Limits **INCREASED**

Employees can now **contribute up to \$18,500** to their 401(k), 403(b), most 457 plans, and Thrift Savings Plan.

That's a \$500 increase from the 2017 limit.

\$18,500



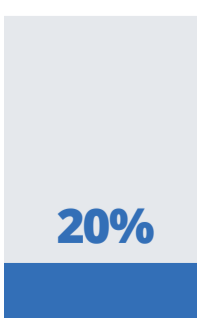
9 Roth IRA Contribution Income Phaseout Limits **RAISED**

The income phase out for single individuals and heads of household **raised to \$135,000** from \$120,000. The phaseout for married couples **increased to \$199,000** from \$189,000. No adjustment was made for married individuals who file separate tax returns.



10 Qualified Business Income Deduction **INTRODUCED**

Qualified Business Income Deduction (QBI): Taxpayers who own sole proprietorships, LLCs, rental properties, S corporations, and partnerships can generally **deduct 20 percent** of qualified business income.



EXAMPLE — Taxpayer with a QBI of \$100,000 can deduct \$20,000 on income tax return

*Limitations apply