

S H A R I & S O N S



T A X S E R V I C E , I N C .

158 Heininger Street, Butler, Oh, 44822 (419) 883-2473

S.S.T.S Changes

We hope everyone had a healthy and prosperous year. With the tax season approaching we would like to take this opportunity to thank each and every one of you for your past and continued patronage.

We have two fax numbers: (419) 775-4471 or (419) 883-2631

E-filing begins January 29, 2019

Check [Where's My Refund](#) on IRS.gov or the IRS mobile app, [IRS2Go](#), for your personalized refund status.

The mailbox is located on the right side of the office if you need to drop anything off. With the privacy act there are forms that we need you to sign. If you do drop something off make sure that you sign the consent form that is available on our website (www.staxservice.com). If you have any questions or would like to schedule an appointment, please feel free to call. Keep in mind that you can always drop your return off at any time.

2018 Tax Changes

- The new tax law nearly doubles the standard deduction amount. Single taxpayer's standard deduction goes from \$ 6,350.00 to \$ 12,000.00. Married couples filing jointly increases from \$ 12,700.00 to \$ 24,000.00. Under the new law, with this increase less people will itemize deductions.
- The personal exemption for tax year 2018 was eliminated.
- The child tax credit increased from \$ 1,000.00 to \$ 2,000.00 with a child under the age of 17. They also added a new credit of \$ 500.00 for all other dependents.
- For tax year 2018, the seven tax rates are 10%, 12%, 22%, 24%, 32%, 35% and 37%.
- Despite the changes to the standard deduction you may still itemize if you have high medical expenses, charitable contributions, mortgage interest, state income tax & property taxes. Charitable contributions increased from 50% to 60%. Medical expenses have been reduced from 10% to 7.5% of your AGI.
- Eliminated deductions include: Casualty and theft losses (except for federally declared disasters), unreimbursed employee expenses, tax preparation expenses, moving expenses, employer subsidized parking & transportation reimbursement.
- The Alternative Minimum Tax exemption amount for tax year 2018 changes permanently; Single or Head of Household-from 54,300 to 70,300; Married filing jointly-from \$ 84,500 to \$ 109,400; and Married filing separately-from \$42,250 to \$ 54,700. In addition the income thresholds for the exemption amounts begin to phase out are dramatically increased; Individual filers from \$ 120,700 to \$ 500,000 and Joint filers from \$ 160,900 to \$ 1 million.
- The tax year 2018 maximum Earned Income Credit amount is \$6,444 for taxpayers filing jointly who have 3 or more qualifying children, up from a total of \$6,318 for tax year 2017. The revenue procedure has a table providing maximum credit amounts for other categories, income thresholds and phase-outs.
- For calendar year 2018, the dollar amount used to determine the penalty for not maintaining minimum essential health coverage is \$695. The penalty for not having health insurance after December 31, 2018 has been eliminated
- For tax year 2018 participants who have self-only coverage in a Medical Savings Account, the plan must have an annual deductible that is not less than \$2,300 but not more than \$3,450. For self-only coverage the maximum out of pocket expense amount is \$4,500. For tax year 2018 participants with family coverage, an annual deductible that is not less than \$ 4,600 but not more than \$ 6,850; for family coverage, the maximum out of pocket expense is \$ 8,400.
- For tax year 2018, the adjusted gross income amount used by joint filers to determine the reduction in the Lifetime Learning Credit is \$114,000, up from \$112,000 for tax year 2017.
- For tax year 2018, the foreign earned income exclusion is \$104,100, up from \$102,100 for tax year 2017.
- Alimony tax laws remain the same for 2018 but under the new law effective with any divorce agreement effective after December 31, 2018 will no longer be tax deductible and no longer taxed as income for the recipient.
- New business deduction included a 20 percent small business deduction. Limited entertainment deduction still allows the 50 percent for meals but entertainment expenses are no longer deductible.
- Mileage rates increased from .53 ½ c/mile to .54 ½ c/mile for business; from .17 c/mile to .18 c/mile for medical and no change of .14 c/mile for charitable.