

Mitchell Tax & Accounting

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Merry Christmas and Happy New Year!!! Well it looks like there will be lots of tax changes in our near future, but as for this tax season, everything should remain about the same. Following is some information that may come in handy while gathering your tax papers and doing some planning. As always, if you have any questions, please feel free to contact the office and we will be happy to assist you.

WHO NEEDS TO FILE????

Single	\$10,400
Head of Household	\$13,400
Married filing Joint	\$20,800
Married filing Separate	\$10,400

If your dependent has \$1,050 or more in interest or unearned income, they must file a tax return

2017 Tax Rates

Filing Status	10%	15%	25%	28%	33%	35%	39.60%
Single	\$0	\$9,326	\$37,951	\$91,901	\$190,651	\$416,701	\$418,401
MFJ/QW	\$0	\$18,651	\$75,901	\$153,101	\$233,351	\$416,701	\$470,701
MFS	\$0	\$9,326	\$37,951	\$76,551	\$116,676	\$208,351	\$235,351
HOH	\$0	\$13,351	\$50,801	\$131,201	\$212,501	\$416,701	\$444,551
CAP GAINS	0%	0%	15%	15%	15%	15%	20%

Self Employment Tax

If you received \$400 or more in self-employment income, you have to file a return. Be sure you have some form of record to show how you arrived at that figure. Also, if you have expenses in earning that income, we need to know that. For instance, mowing income should include cost of mower for depreciation, gas for mower, repairs etc. or an explanation of why you had no expenses in earning this money!

Medical Expenses have gone back to 7.5% of gross income

Itemized Deduction Phase-Out

Filing Status	3% Phase-out Begins at AGI
S	\$261,500
HOH	\$287,650
MFS	\$156,900
MFJ/QW	\$313,800

Alternative Minimum Tax

Filing Status	2017 AMT Exemption	Phase-out Begins	Completely phased out
S, HOH	\$54,300	\$120,700	\$337,900
MFS	\$42,250	\$80,450	\$249,450
MFJ, QW	\$84,500	\$160,900	\$498,900
Child	\$7,400 + earned income Max of \$54,300		

Long Term Care Insurance

Age at end of year	Deductible Premium Limit
40 or Less	\$410
41-50	\$770
51-60	\$1,530
61-70	\$4,090
> 70	\$5,110

Education Credit Phase-Out MAGI

Filing Status	American Opportunity	Lifetime Learning
S, HOH, QW	\$80,000-90,000	\$56,000 - 66,000
MFS	No credit allowed	No credit allowed
MFJ	\$160,000 - 180,000	\$112,000 - \$132,000

Maximum of \$2,500 of student loan interest is deductible, if paid for the qualified education expense of taxpayer, spouse, or dependent. ~~Will phase out:~~

Earned Income Credit

IRS IS INVESTIGATING THOUSANDS OF RETURNS WITH EIC AGAIN THIS YEAR. MAKE SURE YOU ARE THE QUALIFIED PERSON TO CLAIM THIS CREDIT!!

	Personal Exemption		
2017	\$4,050	2018	\$0

Exemption Deduction Phaseout Ranges for 2017

	Start of phaseout	End of phaseout
Single	\$261,500	\$384,000
HOH	\$287,650	\$410,150
MFJ	\$313,800	\$436,300
MFS	\$156,900	\$218,150

Educator Expense of \$250 remains!!!

Standard Mileage Rates		
	2017	2018
Business	.535 per mil	0.545
Medical/Moving	.17 per mile	0.18
Charity	0.14 per mil	0.14

Standard Meal Allowance	
Standard	
2017	\$46
Transportation	
2017	\$57

NEW TAX CHANGES FOR 2018

The new tax brackets will be:

	10%	12%	22%	24%	32%	35%	37%
S	\$0	\$9,525	\$38,700	\$82,500	\$157,500	\$200,000	\$500,000
MFJ/QW	\$0	\$19,050	\$77,400	\$165,000	\$315,000	\$400,000	\$600,000
HOH	\$0	\$13,600	\$51,800	\$82,500	\$157,500	\$200,000	\$50,000
MFS	\$0	\$9,525	\$38,700	\$82,500	\$157,000	\$200,000	\$300,000

Standard Deduction

MFJ	\$24,000	
HOH	\$18,000	
Single	\$12,000	
MFS	\$12,000	
Add'l if over 65	\$1600 - unmarried	\$1300 - each spouse meeting criterion

The Personal Exemption is repealed and will go to \$0

Child Tax Credit will increase to \$2,000 per qualifying child and will be refundable up to \$1,400, subject to phaseouts

With the standard deduction nearly doubled, less will be able to itemize. But mortgage interest, medical expenses, disaster losses, and charitable contributions will still be eligible for itemized deductions if you meet the amount.

Things to bring:**W2's and 1099's****Social Security Statements**

Interest Income Statements

Retirement Statements

IRA Distributions

Dividend Statements

Property Taxes paid

Mortgage Interest Statements

Advalorem taxes paid on your vehicle

Child care for your child, to whom paid,

federal ID #, amount pd per child

Education expenses: 1098-T

Charitable contributions and charity mileage

Student loan interest

Medical bills paid in 2016

1095A, 1095B, 1095C or all medical cards**Proof of your dependent****rent receipts, mortgage stmt, utility bills
and/or letter from the school they attend****Business Clients:**

Business Income and Expenses

New Equipment purchased? Date? Amount?

Year End Inventory

Do we need to file tangible returns?

We need to know what counties you worked in and how
much earned in each county for Net Profits Tax

Business loan balances and interest paid for the year

Business mileage or unreimbursed employee mileage

Number of nights spent away from home for business

Do we need to file 1099's for you?

**Remember to let us know if you got married, divorced,
or dependents changed. Has your banking information
changed from last year? New address? New phone?****Give us your email so you can know when your federal
return is accepted.****Mitchell Tax & Accounting****8828 KY 1232****Corbin KY 40701**