

BUSINESS:

Topic	Prior Law	New Law
199A Deduction	Deduction Did Not Exist	Sole Proprietorships, partnerships, and S Corporations may be eligible for some or all of the new 20 percent deduction of qualified business income.
Client and Prospect Business Meals	Business meals (non-employee) directly related to a trade or business were 50% deductible	Business Meals remain 50% deductible
Employee Meals	Employee Meals were 100% deductible.	Employee meals are 50% deductible.
Entertainment	Entertainment directly related to a trade or business was 50% deductible	Entertainment is no longer deductible.
Qualified Improvement Property	Improvements were deducted over 15 years and eligible for bonus depreciation	"Oops" lawmakers failed in making bonus depreciation available for qualified improvement property. They did enable Section 179 expensing for such property.
Section 179 Expensing	The maximum deduction for qualifying property was \$510,000. Dollar-for-dollar phaseout of the deduction began at \$2.03 million.	The maximum deduction for qualifying property is \$1 million. The dollar-for-dollar phaseout begins at 2.5 million. Qualifying Section 179 Property includes new and used assets, as in prior years.
Transportation Fringe Benefits	The benefit was tax-free to employees and tax-deductible to employers	The benefit is tax-free to employees, but employers NO longer receive a deduction.

BUSINESS:

Not all Tax Law Changes are Included.

Topic		Prior Law	New Law
Vehicle Deductions		Luxury auto limits began at \$11,160. (A \$40,000 vehicle would take 19 years to depreciate) Bonus depreciation was 50 %.	Luxury auto limits don't begin until \$50,000. (A \$40,000 vehicle takes only 6 years to depreciate) Bonus depreciation is 100%.
Vehicle Trade In		1031 exchanges were allowed for personal property, such as business vehicles, airplanes, equipment and collectibles as well as real property.	1031 exchanges are allowed only for real property.

Individual:

Topic		Prior Law	New Law
Tax Brackets		7 tax brackets - 10%, 15%, 25%, 28%, 33%, 35%, 39.6%	7 tax brackets - 10%, 12%, 22%, 24%, 32%, 35%, 37%
Standard Deduction		Single - \$6500; MFJ - \$13,000; MFS - \$6,500; HOH - \$9,350	Single - \$12,000; MFJ - \$24,000; MFS - \$12,000; HOH - \$18,000
Mortgage Interest Deductions		Ceiling Limit - \$1 million	Ceiling Limit - \$750,000
Interest on Home Equity Debt		Deductible	No longer deductible
Charitable Contributions		Income Cap - 50%	Income Cap - 60% - donations to colleges in exchange for athletic tickets no longer deductible

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Individual:

Topic		Prior Law	New Law
Medical Expenses		Threshold - 10% of adjusted gross income	Threshold - 7% of adjusted gross income
Unreimbursed Employee Expense		Deductible	No longer deductible
Tax Preparation Fees		Deductible	No longer deductible
Moving Expenses		Deductible	No longer deductible
Child Tax Credit		Children under 17, tax credit up to \$1,000 per	Children under 17, tax credit expanded to \$2,000 and the refundable portion increased to \$1,400

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