



# JMF CPA LLC

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**2018 Tax Updates:** Please be aware that a large number of individual tax items of the Tax Act sunset in 2025.

**Additional tax law changes:** Many items that were not extended during the calendar year were extended on February 9, 2018. These changes will affect the 2017 tax year and will delay filing.

**Note for 2019:** Alimony received is not income and alimony paid is not a deduction. However, you can elect to follow any new rules that will be effective in 2026.

**\* Auto Mileage Rates for 2018: Released Dec 14, 2017**

Business – 54.5 cents per mile	Medical - 18 cents per mile
Charity - 14 cents per mile	Moving - 18 cents per mile

**\* Gift Exclusion Annual Amount for 2018: \$15,000**

**\* Estate and Gift Lifetime Exclusion for 2018: \$11.2 million (\$22.4M for spousal portability election)**

**\* Social Security Wage Limit for 2018: \$128,400**

**\* Long-Term Care Insurance Premium Limits for 2018:**

Age 40 or less:	\$ 420	More than 60, less than 71:	\$4,160
More than 40, less than 51:	\$ 780	More than 70:	\$5,200
More than 50, less than 61:	\$1,560		

**\* HSA contribution amounts for 2018:**

Individual: \$3,450 (+\$1,000 for over age 55)  
Family: \$6,900 (+\$1,000 for over age 55)

**\* Retirement Deferrals for 2018:**

401(k) - \$18,500 (age 50 and over catch-up is \$6,000)  
Simple - \$12,500 (age 50 and over catch-up is \$3,000)  
IRA - \$5,500 (age 50 and over catch-up is \$1,000)  
Defined Contribution Plan - \$55,000

**\* Compensation limits (401, 404, 408) for 2018: \$275,000**

**\* Child Tax Credit in 2018: \$2,000 (Maximum refundable portion per child of \$1,400)**

**\* Election to Expense Certain Depreciation Assets (Section 179) for 2018: \$1,000,000.**

**\* 100% Bonus Depreciation in First Year.**

**\* Standard Deductions for 2018: \$24,000 (MFJ, Surviving Spouse); \$18,000 (HOH); and \$12,000 (Single, MFS)**

**\* Additional Medicare Tax for 2018: 3.8% surtax on net investment income and 0.9% Medicare contributions tax on earned income when adjusted gross income exceeds: \$250,000 (MFJ, Surviving Spouse); \$200,000 (HOH and Single) and \$125,000 (MFS)**

- \* **Alternative Minimum Tax for 2018:** For 2018, the exemption amounts are \$70,300 (Single/HOH); \$109,400 (MFJ) and \$54,700 for (MFS) and do not phase out until \$500,000 (Single/HOH/MFS) and \$1,000,000 (MFJ). The 28% rate applies to excess AMTI of \$191,500 (MFJ) and \$95,750 (Single/HOH/MFS)
- \* **ACA Penalty for 2018:** For 2018, the penalty for not maintaining minimum essential health coverage: \$695
- \* **Deduction for Pass-through (includes Sole Shareholders) Entities:** 20% of Qualified Business income limited to 50% of W-2 Wages or 25% of wages and 2.5% of Qualified Property Unadjusted Basis. Income limitations for service industries.