

Income Tax Rate Comparison

(Federal Income Tax Rates for Single Individuals)

| | Taxable Income Level: | | |
|----------------|-----------------------|------------------|------------------|
| | <u>\$75,000</u> | <u>\$150,000</u> | <u>\$450,000</u> |
| <u>2017:</u> | | | |
| Marginal Rate | 25% | 28% | 39.6% |
| Tax | \$14,489 | \$34,982 | \$134,019 |
| Average Rate | 19.3% | 23.3% | 29.8% |
| <u>2018:</u> | | | |
| Marginal Rate | 22% | 24% | 35% |
| Tax | \$12,440 | \$30,290 | \$133,190 |
| Average Rate | 16.6% | 20.2% | 29.6% |
| Savings | \$2,049 | \$4,722 | \$ 829 |

Dueling Tax Changes

Standard Deduction Doubled

Personal Exemptions Repealed



Standard Deduction Bait and Switch



| | <u>Prior Law</u> | <u>New Law</u> |
|---------------------------------|------------------|----------------|
| <u>Single:</u> | | |
| Standard Deduction | \$ 6,500 | \$ 12,000 |
| Personal Exemption | <u>4,150</u> | <u>- 0 -</u> |
| Total Untaxed | \$10,650 | \$ 12,000 |
| <u>Married with 3 children:</u> | | |
| Standard Deduction | \$ 13,000 | \$ 24,000 |
| Personal Exemptions | 8,300 | - 0 - |
| Dependency Exemptions | <u>12,450</u> | <u>- 0 -</u> |
| Total Untaxed | \$ 33,750 | \$ 24,000 |

Doubled Child Credit is a Big Help, But Not For Everyone

Andrea Agent

H. of Household w/ 1 child (< age 17):

| | <u>Prior Law</u> | <u>New Law</u> |
|--------------------|------------------|-----------------|
| Income | \$100,000 | \$100,000 |
| Standard Deduction | 6,500 | 12,000 |
| Personal Exemption | <u>4,150</u> | <u>- 0 -</u> |
| Taxable Income | \$ 89,350 | \$ 88,000 |
| Tax | \$ 16,590 | \$ 14,018 |
| Child Credit | <u>- 0 -</u> | <u>\$ 2,000</u> |
| Net Tax | \$ 16,590 | \$ 12,018 |
| | | \$ 4,572 |

Tax Savings

Bill and Beverly Broker

Married w/ 3 children (<age 17):

| | | |
|----------------------------------|---------------|-----------------|
| Income | \$175,000 | \$175,000 |
| Standard Deduction | \$ 13,000 | \$ 24,000 |
| Personal & Dependency Exemptions | <u>20,750</u> | <u>- 0 -</u> |
| Taxable Income | \$141,250 | \$151,000 |
| Tax | \$ 26,790 | \$ 25,099 |
| Child Credit | <u>- 0 -</u> | <u>\$ 6,000</u> |
| Net Tax | \$ 26,790 | \$ 19,099 |
| | | \$ 7,691 |

Tax Savings

Randy and Rebecca Realtor

Married w/ 3 children (>age 17):

| | <u>Prior Law</u> | <u>New Law</u> |
|----------------------------------|------------------|----------------|
| Income | \$125,000 | \$125,000 |
| Standard Deduction | \$ 13,000 | \$ 24,000 |
| Personal / Dependency Exemptions | <u>20,750</u> | <u>- 0 -</u> |
| Taxable Income | \$ 91,250 | \$101,000 |
| Tax | \$ 14,290 | \$ 14,099 |
| Child Credit | <u>- 0 -</u> | <u>- 0 -</u> |
| Net Tax | \$ 14,290 | \$ 14,099 |
| | | \$ 191 |

Tax Savings