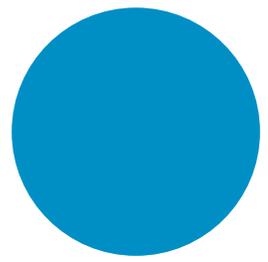
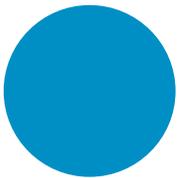
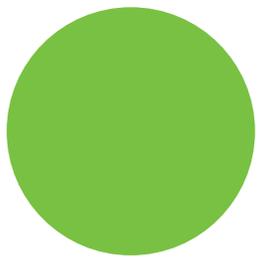




Tax Reform 2017

As of December 20, 2017



Individual Tax

	Current Law	New Law
Tax Rates - Ordinary Income	7 brackets with a top rate of 39.6%	7 brackets with a top rate of 37%
Tax Rates - Capital Gains	3 brackets with top rate of 20%	3 brackets with top rate of 20%
Personal Exemptions	\$4,000 per person, before phase outs	Repealed
Standard Deduction (Single/Joint)	\$6,350/\$12,700	\$12,000/\$24,000
Itemized Deductions for:		
• Medical Expenses	Allowed, if over 7.5% of AGI	Allowed, if over 7.5% of AGI
• State and Local Taxes	Allowed	Limited to \$10,000
• Mortgage Interest on Acquisition Debt	Allowed on first \$1,000,000 of debt	Allowed on first \$750,000 of debt
• Mortgage Interest on HELOC	Allowed on first \$100,000 of debt	Not allowed
• Charitable Contributions	Allowed, within limits	Allowed, increased limits
Deduction for Alimony	Allowed	Not allowed for divorce agreements entered into after 12/31/2018
Deduction for Interest on Student Loans	Allowed	Allowed
Income From Passthroughs (Partnerships and S Corps)	Taxed ordinary income rates	Deduction equal to 20% of certain types of business income, with limitations related to wages paid and capital invested
Net Investment Income Tax	3.8% tax rate	3.8% tax rate
Additional Medicare Tax	.9% tax on wages or SE income over \$200,000	.9% tax on wages or SE income over \$200,000
Alternative Minimum Tax	In effect	Retained, but scaled back

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Estate Tax

	Current Law	New Law
Lifetime Exemption	\$5.6M if single, \$11.2M if married	Over \$11.2M if single, \$22.4M if married
Tax Rate	40%	40%
Step Up in Basis Upon Death	Yes	Yes

Business Tax

Top Tax Rate	35%	21%
Interest Deduction	Unlimited	Limited to 30% of EBITDA with indefinite carryover
Entertainment Expenses	50% deductible	Not deductible
Domestic Production Activities Deduction	9% of "qualified activities"	Repealed
Net Operating Losses	Carryback 2 years and forward 20	No carryback, limited to 80% of taxable income, indefinite carryforward
Section 179 Expensing	Up to \$510,000	Up to \$1,000,000
Immediate Expensing of Fixed Assets	None, unless Section 179	For the next 5 years
Alternative Minimum Tax	In effect	Repealed
"Small Business" Definition for Certain Tax Accounting Methods	Under \$10M of gross receipts	Under \$25M of gross receipts

International Tax

Tax Base	Worldwide Income	Territorial Income
Taxation of Accumulated Foreign Earnings	Only when repatriated	One-time transition tax
Tax Rate on Repatriated Earnings	Up to 35%	15.5% on cash and 8% on other assets "deemed" repatriated as part of transition tax

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