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I've not only read the entire Tax Cuts and Jobs Bill of 2017, I've written and read different articles about it. This is not going to be the same article that you have read, seen, or has been regurgitated. I decided to take a moment, while there is no IRS Guidance, Rev. Procs., or case law to say that you can't do something. However, the way that I read tax law is a game to find out what it is I can get away with.

So let's talk the standard deduction for a second. The standard deduction for individuals is $12,000, and for couples it is $24,000. Before someone is required to file a tax return, they have to meet the standard deduction. If you are self-employed, let me tell you something cool that you can do. You can pay your children a salary of $12,000, and they don't have to file a return. What do you do with that money? You put it in a 529 Plan.

A 529 Plan has changed a little bit. First of all, it can be used for K-12 private school, or saved for college. It is put into securities, and grows tax-free. If it is used for education or educational related items, it is tax free when disbursed. The parent, or the one that opens the account, owns the account, with the child being the beneficiary. Meaning the kid has no access to the funds. If your son or daughter decides not to go to college, then the money can be transferred to another sibling, or even a first cousin. The parent can even use it to get a degree. Not only can you put what you pay them into the account, you can put up to the gift tax limits, which are raised to $15,000, or if married and the spouses elect to split their gifts, the amount can be $30,000. Another nice thing about 529 Plans, is if you set one up for a child that doesn't use it, and you have a special needs child, the money can be rolled into an ABLE Account.

ABLE Accounts are awesome for those with special needs. Before they existed, the

deduction. However, if you think about it, most clients don't have more than $12,000 if single, or $24,000 if married in deductions anyway. However if you do, mortgage interest is capped at $750,000, when it used to be $1 million. The most you can deduct in taxes is $10,000. However, charitable contributions are raised to 60% from 50%. Then miscellaneous itemized deductions are done away with. So there is some good and bad there.

The tax brackets have been lowered, but if you own an S-Corporation or any other pass-thru, there is a convoluted way to figure out the tax on that money, and then that phases out based on income. However, C-Corporations tax is a flat 21%. I know that we have all been brainwashed into never going the C-Corp route, because of double taxation. However, I've been working with C-Corps now for about five years, and I've never run into double taxation. Why? Because C-Corps can have tax-free fringe benefits. These benefits include health insurance, Health Reimbursement Accounts (HRA), for which there are no limits to the amount that you can put into an HRA, company cars, gym memberships, the list goes on and on, and these benefits, which most people were paying for with after tax dollars, are tax deductible. Not to mention Personal Service Corporations no longer exist, so anyone can do a C-Corp. And again the tax is a flat 21%.

The other goodies are direct expensing of assets up to a limit. Forget the 179 increases for a second, because when you sell the asset you 179ed you have capital gains tax, and you have to carry back the depreciation. If you buy property, and directly write it off, its never been capitalized, therefore you never run into a tax if sold. Not to mention that 179 only can take you to zero, with direct expensing, you can go below zero into a loss.

Speaking of losses, the way Net Operating Losses (NOL) are treated is crazy. First of all there is no carryback of the loss, you can only carry it forward, and then you can only use 80% of it as a deduction, losing the 20%. No more 1045's, or amended

gift, but how is it that I deduct my season tickets? There is a project for me when I have downtime. I don't want to give my season tickets up.

One thing I used to love was that you could make a Roth Contribution by April 15th, but if you didn't do your return by then, and your AGI was too high, it was no big deal, you could convert, without tax to a Traditional IRA, that's gone.

As you can see there is some wiggle room here, things that are head scratchers, and things that have tons of grey areas, which I like.

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