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When the Tax Cuts and Jobs Act (TCJA) was signed into law in December 2017, the

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source for tools, training and analysis to help you and your clients prepare for changes resulting from the new tax bill.

Intuit teams are also working directly with the IRS and U.S. Treasury; all products will be up to date for next tax season, so you can file with complete confidence with Intuit [ProConnect Tax Online](#), [Lacerte®](#) and [ProSeries®](#). Intuit ProConnect will also offer extended Care hours in season, so you get the answers you need, and credentialed CPAs and EAs on staff are building tools into tax year 2018 products to help you and your clients clearly understand the impacts of tax reform.

## **Why Tax Reform Could Be a Boon for Your Practice**

Knowing as much as you can about tax reform is good for two reasons. First, you can build on the relationships you have with your clients (and prospects) by educating them about their tax filings and situations. Second, you can add to your own bottom line; there are many provisions in the tax bill that could serve as additional focuses for your practice. The largest tax reform in

30 years presents a great opportunity to transform your practice and increase your value as a trusted advisor to your clients — by shifting to become a proactive tax planner rather than a reactive a tax compliance practitioner.

## **Most Important Changes for Tax Year 2018 ... and Beyond**

There are more fine points in the tax bill than can be included in this article; however, here are some of the more important changes or modifications you'll want to know about.

## **What Are New Big Benefits to the Tax Code?**

The tax reform bill lowers tax rates for many families and eases the impact of the

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The bill also eliminates the penalty for not having health insurance beginning in 2019 and on your clients' 2019 tax return filed in 2020. This is often referred to as the individual mandate.

On the corporate side, the big news is the creation of a single tax rate of 21 percent, replacing the previous tiered rate structure that had a top rate of 35 percent. The bill also eliminates the corporate alternative minimum tax. In addition, pass-through entities such as sole proprietorships (self-employed, contractors, freelancers and business of one), S corporations or partnerships that enable their recipients to declare their incomes on their personal returns will gain a new 20 percent deduction on their Qualified Business Income. There are limits to this benefit, and the IRS will be providing additional guidance on how the new rules will work.

Finally, the bill raises the maximum section 179 expense that can be deducted from the current \$510,000 to \$1,000,000 and increases bonus depreciation from 50% to 100%, which allows small businesses to deduct the full purchase price of qualifying equipment and/or software purchased or financed during the tax year.

### **Reduced or Eliminated Provisions**

Another big change is the elimination of the personal and dependent exemption – a \$4,050 per person tax break in 2017 that could especially affect larger families. A number of itemized deductions are either reduced or eliminated entirely.

In addition, the new bill limits the amount of state and local property, income, and sales taxes that can be deducted to \$10,000. In the past, these taxes have generally been fully tax deductible – something that may affect people living in high-tax states. Also, the deductible interest from **new** mortgages is limited to home mortgages of up to \$750,000 – down from \$1,000,000 under current law. There will be no change for homeowners with existing mortgages that were taken out to buy a home.

For businesses, the bill limits the business interest deduction to 30 percent of income

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to proactive tax strategy and client financial advisement.

In addition to the Boot Camp, plan to visit the Intuit exhibit booths at [QuickBooks Connect 2018](#), Nov. 5-7, 2018; meet product managers and specialists for Intuit ProConnect Tax Online, Lacerte, ProSeries and QuickBooks® Online to learn more about how you and your clients can win with Tax Reform.

**Got questions?** Contact us online at <https://proconnect.intuit.com> for more information.

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