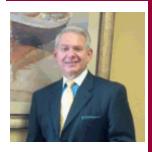
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Annual 2018 Tax Newsletter

Greetings and welcome to a New Tax Year!

As we embark on our 39th year, it is with great pleasure that we extend a special Welcome to the clients of tax accountant and advisor, Robert Riddle, to the MFM client family. We look forward to meeting and working with you during this tax season.

There have been major tax law changes for 2018. Listed below are some of the issues that most taxpayers will be facing.

Who Must File Rules

The threshold limits continue to rise for eligible taxpayers. Single filers under 65 are exempt if gross income falls below \$12,000; \$13,600 if over 65. Joint filers are exempt with incomes below \$24,000 if under 65; \$26,600 if over. Head of household filers are exempt if income is below \$18,000 for under 65; \$19,600 for 65 or older. Married filing separately, is \$12,000. For qualifying widow/widower under 65 the limit is \$24,000, over 65 it is \$25,600. Other conditions may apply. Please call the office to discuss special considerations.

Changes That Could Impact Your Taxes

- * Health Care Penalty still exists for 2018. Evidence of coverage is required to escape penalty. Beginning in 2019 the penalty is eliminated.
- * The Child Tax Credit is increased to \$2,000 per child under 17.
- **Home Equity Loans**. Are no longer deductible unless funds were used for home purposes.
- * Social Security Recipients. Maximum earnings between 62 and full retirement is \$1,420 per month or \$17,040 for the year.
- Moving Expenses. Are No longer deductible except for military personnel.
- **Estate & Gift**. Estates are tax free up to 11 million dollars. Annual gifts are tax free up to \$15,000.
- * State and Local Taxes. State and local taxes, real estate taxes, and other personal property taxes will be capped at a \$10,000 deduction.

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Key 2018 Tax Information							
Personal Exemption							
Item	2018	2017	Change				
Personal Exemption	\$0	\$4,050	-\$4,050				
Child Credit Under 17	\$2,000	\$1,000	+\$1,000				
Social Security Earnings Limit	\$17,040	\$16,920	+\$120				
Between 62 & Full Age Requirement							
Gift Tax Limit	\$15,000	\$14,000	+\$1000				
Child Kiddie Tax Under 18							
Investment Income Limit for Child	\$1,050	\$1,050					
For Parents	\$2,100	\$2,100					
Standard Deductions							
Item	2018	2017	Change				
Single	\$12,000	\$6,350	+\$5,650				
Married joint/widow	\$24,000	\$12,700	+\$11,300				
Head of household	\$18,000	\$9,350	+\$8,650				
Married filing separate	\$12,000	\$6,350	+\$5,650				
Mileage Rates							
Item	2018	2017	Change				
Business	54.5¢/mi	53.5¢/mi	+1¢/mi				
Medical/Moving	18¢/mi	17¢/mi	+1¢/mi				
Charitable	14¢/mi	14¢/mi					
Long Term Capital Gains							
Item	2018	2017	Change				
Singles - up to \$38,600	0%	0%					
Marrieds - up to \$77,200 Singles - up to \$425,800 Marrieds - up to \$479,000	15%	15%					
Singles - over \$425,800 Marrieds - over \$479,000	20%	20%					

Often Overlooked Deduction: Non-cash Contributions

Remember, non-cash contributions can add up to a meaningful itemized deduction item on your tax return. This includes donations of used clothing, household items, and furnishings. To ensure your donations are counted, here are some tips:

- ✓ Create a list of the items you contribute.
- ✓ Lay out the items and take a photo of them.
- ✓ In your listing please include the original value of the item, what the item was worth at the time of purchase, the approximate date you acquired it, the value of the item when donated, and how you determined the value.
- ✓ Note the organization that received your donated items.
- ✓ Include a clause that you did not donate partial ownership of the item
- Receive a donation confirmation from the charity.
- ✓ Include any mileage to and from the charity. That is deductible as well.
- ✓ Only items donated that are in good or better condition may qualify for a deduction.

It is best to call prior to donating large, valuable items (like vehicles) to ensure you receive proper documentation and you receive the full value of your donation on your tax return.

Income Brackets for 2018 Tax Rates						
Tax Rate	Single	Married filing Joint/Widow	Head of Household	Married Filing Separate		
10%	\$0 to \$9,525	\$0 to \$19,050	\$0 to \$13,600	\$0 to \$9,525		
12%	\$9,525 to \$38,700	\$19,050 to \$77,400	\$13,600 to \$51,800	\$9,525 to \$38,700		
22%	\$38,700 to \$82,500	\$77,400 to \$165,000	\$51,800 to \$82,500	\$38,700 to \$82,500		
24%	\$82,500 to \$157,500	\$165,000 to \$315,000	\$82,500 to \$157,500	\$82,500 to \$157,500		
32%	\$157,500 to \$200,000	\$315,000 to \$400,000	\$157,500 to \$200,000	\$157,500 to \$200,000		
35%	\$200,000 to \$500,000	\$400,000 to \$600,000	\$200,000 to \$500,000	\$200,000 to \$300,000		
37%	Over \$500,000	Over \$600,000	Over \$500,000	Over \$300,000		