

The penalty for not having health insurance for 2017 is capped at \$2085 or 2.5% of income. No change for Michigan, now or next year, currently.

Federal changes for 2018

Well there are soooo many that I will simply summarize some of them. I will have a PDF on my website, www.kmprecisiontax.com that you can download or look at.

- Still 7 tax brackets but now, 10, 12, 22, 24, 32, 35 and 37%.
- No more personal deductions, if you have no children or 12, the deduction is the same. They have increased the child tax credit from \$1000 to \$2000 per child as long as they are **under** 17. Up to \$1400 of that may be refundable if you have no tax liability.
- Standard deductions have doubled. 2017 standard deduction for married is \$12,700, next year 2018 it will be \$24,000. Less people will be itemizing.
- No change to Capital Gains, currently for this year or next year.
- College credits remain unchanged.
- Medical expenses will need to be over 7.5% of your income. This is dropped from the 10%.for 2017.
- PMI insurance is no longer deductible, even in 2017.
- Student loan interest deduction has remained unchanged for 2017 and 2018.
- No more deduction for home equity interest, second home interest is deductible. Capped at \$750,000 of debt.
- No casualty losses are deductible unless it is a Federal Disaster zone.
- No deductions for moving expenses unless you are in the military.
- Beginning in 2019, alimony will not be deductible nor will it be taxable to the recipient.
- Above the line deduction for the teachers of \$250 has remained unchanged.
- Charitable mileage allowance will be increased with inflation. (first time ever).