

Federal changes for 2019, 2020 **AND** some go back to 2018

- Forms now in slightly larger "postcard format" , same info, different format. We only have 4 pages now instead of 7. Maybe next year it will go back to a normal page 1 and page 2.
- I must have the form 1098T in my file to do any college credits.
- Itemizing will still require you to have over \$12,200 single and \$24,400 Married.
- Energy credits are back for 2018, 2019 and 2020. Remember this is cumulative, if you have taken one in the past, in most cases you will not qualify. New furnace over 95% efficient, metal roofs, air conditioner must be 14 SEER or better.
- STILL GONE- moving expense, broker fees, IRA maintenance fees, mileage for employees, and any other business expenses if you are an employee.
- Medical stayed at 7.5% for everyone.
- PMI deductions for your principal residence and vacation home was brought back for all 3 years.
- Tuition and fees credit is back for all three years too. This is when your income is too high to qualify the credit. So if you would have qualified last year, bring it in, we will see if it would have helped.
- The 20 % QBI credit is still here, it's mostly just for small business. Some rentals can qualify if you have put more than 250 hours of work in it. (just you, no contractors).
- Still no exemption deductions for your self, spouse or dependents. Just the increase in the Standard Deductions.
- Mileage rates were at 58¢ for 2019, don't have figures for 2020 yet. Please just calculate total miles, business miles and personal miles. My computer will do the rest.

So basically, take a look at your stuff for last year and if you think we could save you some money by amending, bring it in and we will take a look at it.

Also, these are the changes as of 12/30/2019. Our wonderful government can decide to redo all of this at any given time.

I think we are going to need to start serving alcohol. Well, maybe just for me!

Michigan Changes

- Not really any changes to Michigan for 2019 (as of today).
- The income limit for a homestead credit had increased to \$60K with the credit amount increased to \$1500 from \$1200. This is the same for 2019. Nice to see bigger refunds on Michigan for some of you.
- I am not even going to try to explain the pension subtractions on Michigan, there are so many options it's mind-boggling. It all depends on your age and what type of pension.