

THE NEW TAX LAW – WHEN WILL THIS START?

With the passing of the new tax law on the last days of 2017, we found ourselves asking what's going to happen next. Will the new tax law be effective immediately or will it be enforced later? In this report, answers to some of these questions might be tackled and this might be of help to our taxpayers to be guided accordingly with regards to our very complex tax system.

MONTH / YEAR	THE NEW TAX LAW	COMMENT / SUGGESTION / TIPS																											
January 2018	Majority of the tax laws will take effect.	Note: For more details, please see newsletter dated January 2, 2018 – New Tax Cuts 2017 – What I Need To Know?																											
February 2018	<p>The new Withholding Tax Deductions will take effect with the new income tax bracket:</p> <table border="1"> <thead> <tr> <th colspan="3">2018 Income Tax Brackets</th> </tr> <tr> <th>Rate</th> <th>Individuals</th> <th>Married Filing Jointly</th> </tr> </thead> <tbody> <tr> <td>10%</td> <td>Up to \$9,525</td> <td>Up to \$19,050</td> </tr> <tr> <td>12%</td> <td>\$9,526 to \$38,700</td> <td>\$19,051 to \$77,400</td> </tr> <tr> <td>22%</td> <td>38,701 to \$82,500</td> <td>\$77,401 to \$165,000</td> </tr> <tr> <td>24%</td> <td>\$82,501 to \$157,500</td> <td>\$165,001 to \$315,000</td> </tr> <tr> <td>32%</td> <td>\$157,501 to \$200,000</td> <td>\$315,001 to \$400,000</td> </tr> <tr> <td>35%</td> <td>\$200,001 to \$500,000</td> <td>\$400,001 to \$600,000</td> </tr> <tr> <td>37%</td> <td>over \$500,000</td> <td>over \$600,000</td> </tr> </tbody> </table>	2018 Income Tax Brackets			Rate	Individuals	Married Filing Jointly	10%	Up to \$9,525	Up to \$19,050	12%	\$9,526 to \$38,700	\$19,051 to \$77,400	22%	38,701 to \$82,500	\$77,401 to \$165,000	24%	\$82,501 to \$157,500	\$165,001 to \$315,000	32%	\$157,501 to \$200,000	\$315,001 to \$400,000	35%	\$200,001 to \$500,000	\$400,001 to \$600,000	37%	over \$500,000	over \$600,000	Starting this month, employees/taxpayers will notice the changes in their paychecks.
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April 2018	Only a few changes will apply when taxpayers will file their 2017 Income Tax Return.	Note: For more details, please see newsletter dated January 2, 2018 – New Tax Cuts 2017 – What I Need To Know?																											
January 2019	The individual mandate or penalty on Affordable Care Act and alimony tax deductions will end.																												
April 2019	Taxpayers will experience the most changes when their 2018 Income Return will be filed.	The increase in the Standard Deductions and other provisions of the law will be felt.																											
January 2026	New rates on taxes on household income will expire and will be restored back to the old rate unless otherwise, Congress will extend it.	Note: For more details, please see newsletter dated January 2, 2018 – New Tax Cuts 2017 – What I Need To Know?																											

REMINDERS TO ALL TAXPAYERS:

1. You can now start submitting your Income Tax Return - 2017 by mail or online, however, IRS will process your return starting January 29, 2017;
2. Deadline for the submission of Income Return for 2017 is April 17, 2018.
3. If you have some questions, clarifications or you need more information, please don't hesitate to email us at: leosem@my-cheveresolutions.com .

About the Author:
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