

2018 January Newsletter



January Newsletter!

by Endy Ukoha-Ajike



Happy New Year to you all. I hope you had a nice time with your families and are already running with optimism in these first few weeks of 2018.

The new tax laws based on the recently passed Tax Cuts and Jobs Act (TCJA) came into effect on January 1, 2018. This newsletter highlights the most impactful of the provisions as it affects our clients who are mainly individuals and businesses.

This information is not exhaustive. A future article and our first quarterly seminar on March 1, 2018 will elaborate more on this.

We will have Michael Uadiale of Smeed CPA present and take questions on this new tax law in preparation for the tax season. Be on the lookout for the invite and plan to attend this informative evening. Wine and appetizers will be served to lighten up the boredom of the talk of taxes.

~ Endy

- The Tax Cuts and Jobs Act (TCJA) -

Upcoming Events

- March Seminar -
THURSDAY, MARCH 1ST
Save the Date

We are excited to continue to provide our educational seminars. This year we will be hosting them quarterly at our office in Jack London Square. Keep an eye out for our first one which will be on the new tax laws.

Save the Date: March 1st, 2018

Time: 6:15pm - 8pm
Doors Open @ 6:15pm
Presentation @ 6:30pm

Location:
Ukoha-Ajike Law Group Office
@ Jack London Square
70 Washington St, Suite 303
Oakland, CA 94607

**Contribute to the
Conversation!**

Our goal is to make our seminars as informative and interactive as possible. Please

New Tax Bracket Highlights

Single Individual Brackets:

- 10% • \$0 to \$9,525
- 12% • \$9,525 to \$38,700
- 22% • \$38,700 to \$82,500
- 24% • \$82,500 to \$157,500
- 32% • \$157,500 to \$200,000
- 35% • \$200,000 to \$500,000
- 37% • \$500,000 and up

Married Filing Jointly Brackets:

Net Taxable Income Bracket

- 10% • \$0 to \$19,050
- 12% • \$19,050 to \$77,400
- 22% • \$77,400 to \$165,000
- 24% • \$165,000 to \$315,000
- 32% • \$315,000 to \$400,000
- 35% • \$400,000 to \$600,000
- 37% • \$600,000 and up

These brackets are effective until 2025 and are eliminated at that time.

let us know if there is any topic you would like to hear about at a 2018 seminar.

[Submit Your Topic Request](#)

Endy's Advice Corner

New Tax Law:

The new tax law means you have to be more diligent to maximize its benefits. Ask your CPA, Enrolled Agent, Tax Preparer how you can benefit from it.

Receipts Reminder:

Be sure to obtain the receipts or proof of contributions you made last year to Non-Profits so you can deduct that from your income when you file your returns on or before April 15th.

Highlights

- The Estate tax exclusion amount is increased for each individual to \$11.2M for 2018. Again this goes away in 2025 unless changed by Congress. That means you don't have to worry about estate taxes on your estate when you pass away unless your net income is up to that \$11.2M amount.
- The elimination of the individual mandate for the Affordable Care Act, aka Obamacare.
- The elimination of personal deductions until 2025.
- Limitation of the deduction of the mortgage debt limit for the home mortgage interest deduction to \$750,000 (\$375,000 for separate filers), with certain exceptions, again this goes away in 2025.
- The elimination of the deduction for interest on home equity debt. It goes away in 2025.
- Doubling of the child tax credit to \$2,000 and other modifications intended to help more taxpayers benefit from the credit. This goes away in 2025.
- New \$10,000 limit on the deduction for state and local taxes (on a combined basis for property and income taxes; \$5,000 for separate filers). It goes away in 2025.
- The IRC tax free Section 529 Plans are expanded to include monies used to pay for qualifying elementary and secondary school expenses, up to \$10,000 per student per tax year.

Business Highlights

- Corporate tax rate is now a flat 21% for corporations.
- There is the qualified business income tax of 20% for owners of pass through entities such as LLCs (Limited Liability Companies), Sub Chapter S Corporations, Partnerships and Sole Proprietorships.
- There are new rules limiting like-kind exchanges to

real property that is *not* held primarily for sale.

- There are new tax credits for employer paid family and medical leave.
- There are also new limitations on deductions for employee fringe benefits, such as entertainment and, in certain circumstances, meals and transportation.

Share the news!



About Endy:

Endy is an Oakland (Jack London Square) based Tax & Estate Planning Attorney with over 16 years of experience. He has helped countless families throughout California develop individualized estate plans and has administered many estates over that period.



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