Tax Cuts and Jobs Act: IRS Focus

Richard Furlong, Jr.
Senior Stakeholder Liaison

South Jersey Working Together Conference
June 7, 2018
Major Areas of Focus

- Taxpayer Forms, Instructions and Publications
- Legal guidance
- Reprogramming our information technology systems
- Providing Education and Outreach
Tax Reform on IRS.gov

www.IRS.gov/taxreform

• News Releases, Fact Sheets & Statements
• Tax Reform Tax Tips
• Frequently Asked Questions
• YouTube Videos
• Publications
• Legal Guidance
• Other Information
Priority Guidance

OFFICE OF TAX POLICY
AND
INTERNAL REVENUE SERVICE

2017-2018 PRIORITY GUIDANCE PLAN
Updated as of March 31, 2018
Released May 9, 2018
Third Quarter Update

PART 1. INITIAL IMPLEMENTATION OF TAX CUTS AND JOBS ACT (TCJA)
How the New Tax Law May Affect Your Return

- Standard Deduction Amount Increased
- Deduction for Personal Exemptions Suspended
- Changes to Itemized Deductions
- Moving Expenses No Longer Deductible
- Child Tax Credit
- Credit for Other Dependents
Why a Paycheck Checkup?

- Some law changes in the Tax Cuts and Jobs Act may affect your withholding.
- Protect against having too little tax withheld and facing an unexpected tax bill or penalty at tax time next year.
- Avoid too much withholding; you can receive more in your paychecks.
New Rules and Limitations for Depreciation and Expensing

• Businesses can immediately expense more under the new law
• Temporary 100 percent expensing for certain business assets (first-year bonus depreciation)
• Changes to depreciation limitations on luxury automobiles and personal use property
• Applicable recovery period for real property
Employer Credit for Paid Family and Medical Leave

- Tax Reform Tax Tip 2018-69 - How the Employer Credit for Family and Medical Leave Benefits Employers
- Section 45S Employer Credit for Paid Family and Medical Leave FAQs
Opportunity Zones Resources

Opportunity Zones

The authority to implement IRC 1400Z-1 and 1400Z-2 has been delegated to the IRS. The CDFI Fund is supporting the IRS with the Opportunity Zone nomination and designation process under IRC 1400Z-1 only.
New Deduction for Qualified Businesses

For taxable years beginning after December 31, 2017, taxpayers other than corporations may be entitled to a deduction of up to 20 percent of their qualified business income from a qualified trade or business under the Tax Cuts and Jobs Act. This deduction can be taken in addition to the standard or itemized deductions. The deduction is subject to multiple limitations based on the type of trade or business, the taxpayer’s taxable income, the amount of W-2 wages paid with respect to the qualified trade or business, and the unadjusted basis of qualified property held by the trade or business. Notwithstanding these limitations, however, taxpayers with qualified business income (which does not include income from performing services as an employee) and with taxable income under $157,500, or $315,000 for joint returns, will generally be eligible for the deduction. The IRS will provide additional information and guidance on this deduction later this summer.

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Questions?

Richard Furlong, Jr.
Senior Stakeholder Liaison
267-941-6343
richard.g.furlong@irs.gov