

Doing your taxes this year: what to expect

You may get more money back.

- Most tax rates have been reduced.
- However, many employees' withholding decreased in early 2018, giving them more money in their paychecks during the year, so you may not see a difference in your refund.

Your deductions have changed.

Standard deductions have nearly doubled:

- \$12,000 for single or married filing separately (up from \$6,350)
- \$24,000 for married filing jointly or qualifying widower (up from \$12,700)
- \$18,000 for head of household (up from \$9,350)
- Standard deduction is slightly higher for those over 65 or blind, and a lot lower for dependents



With the increase in the standard deduction, most people WON'T need to itemize any more!

Big change: no more exemptions! Taxpayers are no longer able to deduct an exemption amount for each of the members of their household. (Last year, this amount was \$4,050 per person on the return).

The tax forms have changed.

- **The new 1040 is the size of a postcard.** The 1040EZ and 1040A forms have gone away, and there are now just 23 lines on the Form 1040, instead of 79. If your tax situation is easy (for example, if you used to fill out the 1040EZ), it is the only form you will need.
- **There are 6 new Schedules** to report certain types of income, tax, credits and more previously reported on form 1040. Taxpayers with more complex situations will need to use these additional schedules.

Some tax credits have changed.

- **The Child Tax Credit** is now doubled to \$2,000 per child under age 17. This credit reduces the tax you owe. Up to \$1,400 per child may be refundable. **Note:** Children must have a valid Social Security number to claim this credit.
- **There is a new Credit for Other Dependents:** \$500 per qualifying person for dependents who don't qualify for the Child Tax Credit, such as kids ages 17-18, college students, kids with ITINs, and other dependent relatives. This credit is **non-refundable** (so it reduces taxes owed, but doesn't give you money back).

Affordable Care Act requirements are still in effect.

- You will still need to indicate if you and your dependents had health insurance in 2018 on your return.
- If you or your dependents were uninsured for all or part of the tax year, you will need to have an exemption, or make a Shared Responsibility Payment.
- **The Shared Responsibility Payment is reduced to zero for 2019 and future tax years.**