

The Tax Cuts and Jobs Act, Ordinary Income Applications

Summary of Ordinary Income Effects of the Act

- Income tax brackets were adjusted downward
- Standard deduction increased to \$12,000 for individuals and \$24,000 for joint filers (adjusted for inflation in future years)
- Personal and dependent exemptions have been eliminated (\$4,150 per person)
- These changes are scheduled to expire at the end of 2025 CHART

Prior Law - Single Filers		TCJA (2018 Tax Year through 2025)	
10%	\$0 - \$9,525	10%	\$0 - \$9,525
15%	\$9,525 - \$38,700	12%	\$9,525 - \$38,700
25%	\$38,700 - \$93,700	22%	\$38,700 - \$82,500
28%	\$93,700 - \$195,450	25%	\$82,500 - \$157,500
33%	\$195,450 - \$424,950	32%	\$157,500 - \$200k
35%	\$424,950 - \$426,700	35%	\$200k - \$500k
39.6%	\$426,700+	37%	\$500k+

Prior Law - Married Filing Jointly		TCJA (2018 Tax Year through 2025)	
10%	\$0 - \$19,050	10%	\$0 - \$19,050
15%	\$19,050 - \$77,400	12%	\$19,050 - \$77,400
25%	\$77,400 - \$156,150	22%	\$77,400 - \$165k
28%	\$156,150 - \$237,950	25%	\$165k - \$315k
33%	\$237,950 - \$424,950	32%	\$315k - \$400k
35%	\$424,950 - \$480,050	35%	\$400k - \$600k
39.6%	\$426,700+	37%	\$600k+