Tax Time Guide: Most people affected by major tax reform changes; Special publication, other online resources can help

IRS YouTube Videos:
Message to Taxpayers -- English
Mortgage Interest Deduction -- English | Spanish
Itemized Deductions Changes – English

WASHINGTON — With major tax law changes impacting every taxpayer, the Internal Revenue Service has developed a special electronic publication and other online resources designed to help people understand how tax reform affects them this year and the years ahead.

This news release is part of a series called the Tax Time Guide, a resource to help taxpayers file an accurate tax return. Additional help is available in Publication 17, Your Federal Income Tax, and the tax reform information page.

Last fall, the IRS released an online publication, called Tax Reform: Basics for Individuals and Families. Available at IRS.gov/getready, Publication 5307 provides an overview of these and other key changes affecting tax returns:

- Tax rates lowered. Starting in 2018, there are seven income tax brackets, ranging from 10 percent to 37 percent.
- Standard deduction nearly doubled over last year. For 2018, the basic standard deduction is $12,000 for singles, $18,000 for heads of household and $24,000 for married couples filing a joint tax return. Higher amounts apply to people who are blind or filers who are at least age 65. The increased standard deduction, coupled with other changes, mean that more than half of those who itemized their deductions – for mortgage interest, charitable contributions and state and local taxes – in tax year 2017 may instead take the higher standard deduction in 2018, according to IRS projections.
- Various deductions limited or discontinued. For example, the state and local tax deduction is limited to $10,000, $5,000 if married and filing a separate return, and new limits apply to mortgage interest. In addition, the miscellaneous itemized deduction for job-related costs and certain other expenses is not available.
• Child Tax Credit doubled, and more people now qualify. The maximum credit is now $2,000 for each qualifying child under age 17. In addition, the income limit for getting the full credit is $400,000 for joint filers and $200,000 for other taxpayers.
• New credit for other dependents. A $500 credit is available for each dependent who does not qualify for the Child Tax Credit. This includes older children and qualifying relatives, such as a parent.
• Personal and dependency exemptions suspended. This means that an exemption can no longer be claimed for a tax filer, spouse and dependents.

Another helpful resource is the newly-revised edition of Publication 17, Your Federal Income Tax, the agency’s comprehensive tax guide for individual taxpayers. Besides providing further details on each of these changes, this publication is also packed with tax-filing information and tips on a wide variety of topics, ranging from what income needs to be reported and how to report it, to claiming dependents and using IRAs to save for retirement.

Publications 17 and 5307 are just two of many helpful resources available at no charge on IRS.gov. Among other things, people can find answers to their tax questions and ways to resolve tax issues online. The Let Us Help You page helps answer most questions, and the IRS Services Guide links to these and other IRS services. The IRS TaxMap can also be used to find answers to tax questions. IRS.gov/TaxMap searches Publication 17 and all other publications, instructions, and web pages on IRS.gov for content on the searched topic.

Taxpayers can find answers to questions, forms and instructions and easy-to-use tools online at IRS.gov. They can use these resources to get help when it’s needed from the convenience of home or office.

More resources:
• FS-2019-2; Be Tax Ready – understanding tax reform changes affecting individuals and families