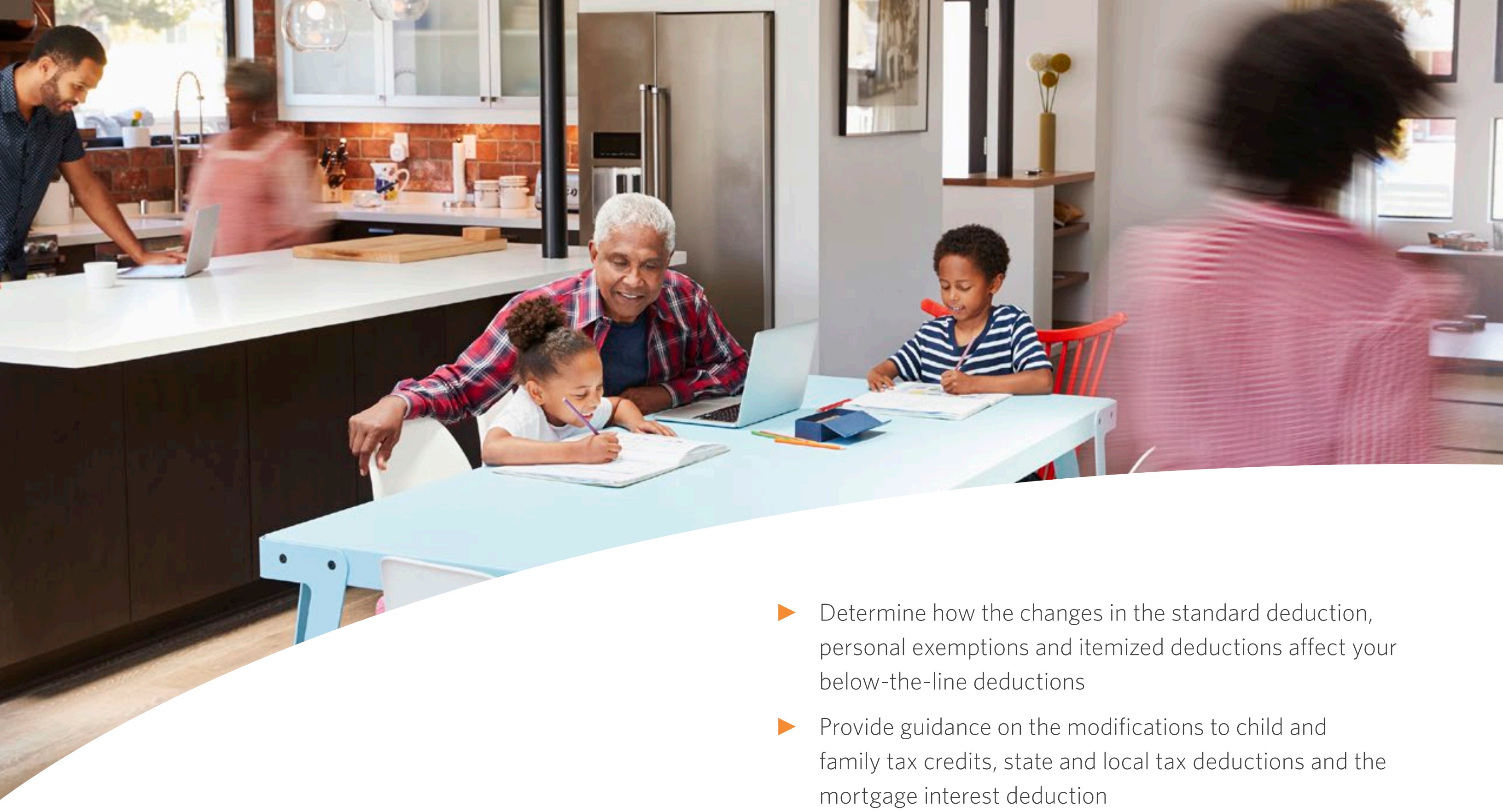

TAX SERVICES

Tax Reform for Individuals, Estates & Trusts

From the release of the Unified Framework for Fixing Our Broken Tax Code to the passage of the Tax Cuts & Jobs Act ("TCJA"), Cherry Bekaert has guided clients on the potential impact of the new tax laws. While the TCJA may be overwhelming, Cherry Bekaert is here to help you understand how the new tax law could affect you. Here are highlights of some of the tax changes we can help you with:

Individuals

- Assess the impact of the new rates of 0%, 10%, 12%, 22%, 24%, 32%, 35% and 37%
- Assess what the modifications to the Alternative Minimum Tax mean for you
- Determine how the changes in the standard deduction, personal exemptions and itemized deductions affect your below-the-line deductions
- Provide guidance on the modifications to child and family tax credits, state and local tax deductions and the mortgage interest deduction
- Develop a strategy for carried interest, charitable contributions and education expenses
- Re-evaluate current estate structure in light of new estate tax changes

Important Note:

Many of the new provisions for individuals in the TCJA are set to expire between 2023 and 2025, depending on the provision, unless Congress acts to make them permanent at some point in the future. Keep these expiration deadlines in mind when making long-term plans, and remember to set a reminder to come back and review your plans again when the provisions are set to expire - just in case.

For help unraveling the new laws and figuring out how they apply to your unique tax situation, reach out to the Cherry Bekaert professionals in your area just to start the conversation. You never know when that one new idea could make all the difference in your planning.

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Your Guide Forward

Estate Planning under Tax Reform

If you have assets you want to protect, estate planning is still important, even if your estate value is under the newly increased estate and gift tax exemption limit.

- Create or review estate plans to see how best to take advantage of the additional exclusion amount based on your goals and objectives
- Set up asset protection strategies to protect against divorce, lawsuits, malpractice, or potential problems with beneficiaries, such as addiction, money mismanagement and in-fighting
- Choose strategies to avoid probate and protect privacy
- Shift future appreciation of assets to future generations
- Protect your assets for specific purposes, depending on your goals
- Find ways to transfer wealth while maintaining flexibility to control investment decisions and future beneficiaries
- Maximize charitable deductions while minimizing income tax exposure
- Examine tools, such as 529 plans for education, as a way to transfer wealth to future generations without resulting in a taxable gift or reducing your lifetime exclusion amount

Your Guide Forward

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Tax Change is Here! Are You Ready?

Key changes to credits and deductions:

- Standard deduction increased to $12,000 for single filers, $24,000 for married filing jointly
- State and local tax deductions, such as for property taxes, limited to $10,000
- Mortgage interest deduction limited to $750,000 of the borrowed value of your property (limit is still $1 million for property purchased before December 1, 2017)
- Medical expense deduction limit remains at 7.5 percent of AGI; increases to 10 percent after 2018
- Deduction on charitable contributions increased from 50 percent of AGI to 60 percent
- Funds in section 529 plans can now be used for elementary and secondary education as well as college and university; can be funded with up to $75,000 (single) or $150,000 (married filing jointly) annually
- Alternative Minimum Tax ("AMT") exemption limits and phase-out limits increased
- Most miscellaneous itemized deductions have been suspended, now that the standard deduction has been increased
- "Kiddie Tax," which applies to investment income for children under 19 or full-time students under 24, has been simplified

About Cherry Bekaert

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