

TREBATCH LICHTENSTEIN AVRUTINE

AND COMPANY

950 THIRD AVENUE NEW YORK, NY 10022

PHONE 212 826 . 5050

FAX 212 826 . 6136

2018

IT HAPPENED! TAX REFORM IS HERE!

The legislation that raced through Congress was signed by President Trump.



Below are items that have an impact on most individuals.

WHAT CAN YOU DO BEFORE YEAR END?

- 1) Pay all outstanding Real Estate Taxes for 2017.
- 2) Pre pay as much of 2018 Real Estate Taxes as your town will allow.
- 3) Pay all of your 2017 State and Local taxes in 2017.

WHAT IS NEW FOR 2018?

- 1) In 2018, Real Estate Taxes, Sales Tax, and State and Local taxes will be limited in the aggregate to \$10,000 (\$5,000 married filing separately).

- 2) Individuals are generally allowed an itemized deduction for interest on a principle residence and second residence mortgages up to a COMBINED \$750,000...PRE 12/16/17 mortgages are grandfathered.
- 3) Interest on a HELOC is no longer deductible.
- 4) Most miscellaneous itemized deductions that were limited to 2% of AGI floor will no longer be allowed i.e. investment expenses, out of pocket business expenses, 2% portfolio expenses that flow from a K-1.
- 5) In 2018, the Estate, Gift, and GST tax exemptions double to \$11.2 million per U.S. person.

We are reading the new bill and figuring out what we need to do to make sure we are serving our clients appropriately! As always, we are happy to discuss ANY issue that is a concern to you.

Happy Holiday

*To All Of Our Valued
Clients And Friends*

TLA has always protected your right to privacy with professional standards more stringent than those required by law. We retain records required and as we see fit, with your professional and personal needs in mind. We have electronic and procedural safeguards in place to protect these records. Non-public personal information is never collected without your authorization. We do not disclose this information except as required by law or authorized by you. Your privacy is important to us. Please call us if you have any questions about this statement.

This is an information letter, not tax advice.