

**Marlies Y. Hendricks CPA PLLC
2018 US Tax Year**

Business Tax Information	Description	\$	Month/Year
Section 179 Expenses:			
Maximum Expense Limit	<i>Qualifying property used in trade or business (at least 50%)</i>	\$1,000,000	
SUV Expense Limit		\$25,000	
Investment Limit		\$2,500,000	

Bonus Depreciation

Bonus Depreciation is increased from 50% to **100%** on qualified assets acquired and placed in service after September 27th, 2017.

Depreciation Lives - MACRS

Assets(Straight Line)	Most Software	36 month
Assets(200% DB)	Tractor units over the road use, rent-to-own property	3 Year
Assets(200% DB)	Auto&light trucks,computers,copiers,printers, appliances	5 Year
Assets(200% DB)	Most manufacturing equip.,office furniture	7 Year
Assets(Straight Line)	Residential rental & structural components***	27.5 Year
Assets(Straight Line)	Nonresidential bldgs& structural components	39 Year

*****Structural Components : bathtubs,boilers,central air, ceilings, heating systems,chimneys,doors,electrical & wiring, floors, hot water heaters, lighting fixtures, plumbing, roofs, sprinkler systems, stairs, walls and windows.**

****Depreciable Asset Election, \$500 per invoice of otherwise depreciable assets may be expensed under safe harbor election**

Estate Taxes

Estate Tax Exclusion-2018-federal	\$11,180,000
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State Tax: One-third of states have an estate or inheritance tax, half with exemptions of \$1 million or less. Check rules in decedent's state of domicile and in states where decedent owned real property.

Gift Taxes

Lifetime Gift Tax Exclusion	\$5,600,000
Annual Gift Tax Exclusion	
Gift per Person	\$15,000
Joint Gifts by Spouse	\$30,000
Gifts to noncitizen spouse	\$152,000
Top Gift Tax Rate	40.0%

2018 Tax Rates-C Corporations-Form 1120

EFFECTIVE 2018 - All Taxable Income of a C-corporation is taxed at a flat rate of 21%.

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Standard Mileage Rates

<u>Mileage Purpose</u>	<u>cents per mile</u>
Business (1/1/18-12/31/18)	54.5
Depreciation Component	25.0
Charitable (1/1/18-12/31/18)	15.0
Medical and Moving (1/1/18-12/31/18)	18.0

<u>Description</u>	<u>Pay</u>	<u>% on excess</u>	<u>of the amount over--</u>	<u>Tax</u>
2018 Tax Rates-Estates & Trusts-Form 1041				
IF Taxable Income is between	\$0 to \$2,550	\$0 plus	10%	\$0 = Tax
IF Taxable Income is between	\$2,551 to \$9,150	\$255.00 plus	24%	\$2,550 = Tax
IF Taxable Income is between	\$9,151 to \$12,500	\$1,839 plus	35%	\$9,150 = Tax
IF Taxable Income is between	\$12,501 to and thereafter	\$3,011.50 plus	37.0%	\$12,500 = Tax

Maximum Long-term Capital Gain Tax Rates AND Qualified Dividend Tax Rates

Effective 2018 - There is no longer a separate maximum tax rate on net long-term capital gains.

General Capital Gain Rates

Taxpayers in 10% or 12% tax bracket	0% If asset is held more than one year
Taxpayers in 12% to rate below top rate	15% If asset is held more than one year
Top rate of 37% taxpayers	20% If asset is held more than one year
Rate on collectibles	28%
Recaptured gain on real estate-S.1250	15%

Short-term capital gains (held less than 12month) are taxed at individual's ordinary income tax rate

37% is maximum rate

Losses - \$3,000 maximum/yr (\$1,500 married - separately)

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