



# JMF CPA LLC

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Please be aware that a large number of individual tax items of the 2018 Tax Act sunset in 2025.

**New Alimony Rules:** For Agreements executed or modified after 12/31/2018, alimony received is not income and alimony paid is not a deduction. However, parties can elect to follow any new rules that will be effective in 2026 as long as indicated in executed agreement.

\* **Auto Mileage Rates for 2019: Released Dec 14, 2018**

Business – 58 cents per mile	Medical - 20 cents per mile
Charity - 14 cents per mile	Moving - 20 cents per mile

\* **Depreciation Component** for business purposes of standard mileage rates are: 24 cents in 2015 and 2016; 25 cents in 2017 and 2018 and 26 cents in 2019.

\* **Gift Exclusion Annual Amount for 2019: \$15,000**

\* **Estate and Gift Lifetime Exclusion for 2019: \$11.4 million (\$22.8M for spousal portability election)**

\* **Social Security Wage Limit for 2019: \$132,900**

\* **Long-Term Care Insurance Premium Limits for 2019:**

Age 40 or less:	\$ 420	More than 60, less than 71:	\$4,220
More than 40, less than 51:	\$ 790	More than 70:	\$5,270
More than 50, less than 61:	\$1,580		

\* **HSA contribution amounts for 2019:**

Individual: \$3,500 (+\$1,000 for over age 55)  
Family: \$7,000 (+\$1,000 for over age 55)

\* **Retirement Deferrals for 2019:**

401(k) - \$19,000 (age 50 and over catch-up is \$6,000)  
Simple - \$13,000 (age 50 and over catch-up is \$3,000)  
IRA - \$6,000 (age 50 and over catch-up is \$1,000)  
Defined Contribution Plan - \$56,000

\* **Compensation limits (401, 404, 408) for 2019: \$280,000**

\* **Child Tax Credit in 2019: \$2,000** (Maximum refundable portion per child of \$1,400) for children under 17 years of age. Other dependents qualify for a \$500 nonrefundable credit.

\* **Election to Expense Certain Depreciation Assets (Section 179) for 2019: \$1,000,000.**

\* **100% Bonus Depreciation in First Year.**

\* **Standard Deductions for 2019: \$24,400** (MFJ, Surviving Spouse); \$18,350 (HOH); and \$12,200 (Single, MFS)

\* **Additional Medicare Tax for 2019: 3.8%** surtax on net investment income and 0.9% Medicare contributions tax on earned income when adjusted gross income exceeds: \$250,000 (MFJ, Surviving Spouse); \$200,000 (HOH and Single) and \$125,000 (MFS)

\* **Alternative Minimum Tax for 2019:** For 2019, the exemption amounts are \$71,700 (Single/HOH); \$111,700 (MFJ) and \$55,850 for (MFS) and do not phase out until \$510,300 (Single/HOH/MFS) and \$1,020,600 (MFJ). The 28% rate applies to excess AMTI of \$194,800 (MFJ) and \$97,400 (Single/HOH/MFS)

\* **ACA Penalty for 2019:** For 2019, the penalty for not maintaining minimum essential health coverage: \$0

\* **Deduction for Pass-through (includes Sole Shareholders) Entities:** 20% of Qualified Business Income (QBI) limited to 50% of W-2 Wages or 25% of wages and 2.5% of Qualified Property Unadjusted Basis. Income limitations for service industries. QBI thresholds are \$321,400 (MFJ); \$160,725 (MFS) and \$160,700 (S/HOH).