

Year-End Planning Under the New Tax Law

The Tax Cuts and Jobs Act of 2017 (TCJA), passed at the end of last year, generally took effect in 2018. Therefore, the fourth quarter of this year provides the first real opportunity for year-end planning under what has been called the most important tax law passed in more than 30 years.

Broadly, the TCJA lowered income tax rates for individuals and for businesses. As you'll read in this issue of the Sapient CPA Client Bulletin, the standard deduction has been substantially increased, but many deductions have been trimmed or eliminated, and some innovative tax benefits have been introduced.

Still, much of the tax code remains the same, and so does year-end planning. Retirement plans are largely unchanged. Business equipment purchases still qualify for favorable tax treatment, although the exclusion amount has doubled (a big tax break), and the federal estate tax is still combined with the gift tax. The articles in this issue will provide tips for blending new tax-saving opportunities with old, reliable strategies.