

Tax Cuts and Jobs Act Comparisons

These are the changes being made to eMoney in March to account for the Tax Cuts and Jobs Act.

MORTGAGE DEDUCTION LIMIT

Cap is reduced from \$1,000,000 to \$750,000
Mortgages from before 12/15/2017 are still subject to \$1,000,000 cap
Sunset occurs 12/31/2025

CHILD TAX CREDIT

Per child credit has increased from \$1,000 to \$2,000
Credit amount is reduced for AGIs above the threshold.
Thresholds: Single: \$75,000/ \$200,000 Joint: \$110,000 / \$400,000
Sunset occurs 12/31/2025

BUSINESS PASS-THROUGH INCOME

20% deduction of qualified business income (QBI) has been added
Deduction is limited when QBI is generated by a professional services business. In this case, deduction is phased out for owners above a certain AGI.
Single: \$157,500 Joint: \$315,000
Sunset occurs 12/31/2025

NEW TAX-RELATED FEATURES

Tax Framework Configuration

- Advisors will have the ability to toggle the set of tax laws being applied between the new Tax Cuts & Jobs Act or the prior 2017 tax laws.
- This can be used to demonstrate the effect of the new tax laws on a client's financial plan.

Sunset Configuration

- Advisors will be able to toggle the Sunset Provisions on or off.
- This can be used if Advisors believe that the new tax laws will be extended past their current sunset provision dates.

Estate Tax Exemption User-Specified Cap

- Advisors will be able to set a custom estate tax exemption limit. Any custom limit will not grow over time, and eMoney will use the lesser of the custom limit and actual tax law limit.
- This can be used if an Advisor is anticipating any future tax law changes to this rule that differ from the Tax Cuts & Jobs Act

Designated Tax Assumptions

- In Advanced Facts, all existing and new tax-related settings will be moved from Miscellaneous Assumptions to Tax Assumptions.