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Italy-America Chamber of Commerce of New York – November 20, 2017: Member News: Deciding days for tax reform in the United States by Salussolia & Associates



SALUSSOLIA ASSOCIATES
INTERNATIONAL LLP

November 20, 2017

Member News: Salussolia Associates – Deciding days for tax reform in the United States

On Thursday November 16, 2017 the U.S. House of Representatives passed a monumental bill (H.R. 1027) to cut taxes on businesses and individuals. The tax reform plan passed with 227 votes in favor and 205 against.

Senate Republicans hope to carry the bill through the Senate this week after Thanksgiving, transforming into reality what is predicted to be the major tax reform since Ronald Reagan's era.

The most significant changes include:

1. A permanent cut to the corporate tax rate from 35% to 20%.
2. Only three tax rates for individuals instead of the existing seven: 12% for incomes between \$14,850 – \$39,580; 25% for income up to \$79,900 and 35% for income up to one million for married couples and half a million for individuals. The existing maximum rate of 39.6% will be maintained for incomes above these thresholds.
3. The foregoing will also apply to Limited Liability Companies and Partnerships (pass-through entities) for the purpose of taxation to individual members.
4. An increase in the size of the child tax credit and, to avoid raising taxes on those currently in the 15% tax bracket, an increase in the standard deduction for all taxes to \$12,000 for individuals (up from \$6,350) and \$24,000 for married couples (up from \$12,700).
5. The estate tax will only apply to estates exceeding 1.1 million, and will be definitively abolished in 2025.

It is now up to the Senate to work on the details for final approval, which approval will only require a simple majority. In other words, if the Republican Front will stay compact for the bill, we will soon have a new Internal Revenue Code.

Article edited by Carl Piero Salussolia, Esq. and Patricia Ifigli.



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