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Below is what I believe are the Tax Cuts and Jobs Act law's Winners & Losers, in no particular order:

Winners:

- **Architects & Engineers**, whose lobbyists got them excluded from being classified as "service businesses" which they surely are. However, they CAN receive the full 20% deduction for Pass-Through income unlike all us other service businesses including: attorneys, doctors, accountants and financial planners.
- Other winners (on paper) are **spouses who receive Alimony**—only for divorces settled after Jan 1 2019—since it will no longer be includable in taxable income. There is plenty of speculation however, that since the payors of Alimony have traditionally been able to deduct said alimony payments from their income, the settlements will become smaller, thus inevitably hurting the receiving divorced spouse.
- **Citrus growers** will grant benefits to help those fruit farmers unduly affected by Hurricane Irma, to replant damaged trees.
- **Certain entrepreneurs** may benefit from the 20% deduction of income, dubbed pass-through.
- **Wineries and Craft Beer Distillers** win significant (read between 55-70%) tax reductions under the Craft Beverage Modernization and Tax Reform Act, yet only through 2019. All this while countless Americans battle addiction.
- Parents & Grandparents wealthy enough to save into **Section 529 plans** will be able to withdraw up to $10,000 annually to fund certain qualifying education expenses for Kindergarteners through Grade 12 (specifically excluding home schooling). Section 529 plans were previously limited to paying only for college educational expenses.
- **Owners of golf courses** will, of course, sneak into the 'conservation easements', which was otherwise intended to maintain undeveloped property; i.e., to preserve certain farmland and forests. Yet golf course owners only have to commit to maintain their courses (fairways and greens) to also qualify for these generous handouts.
- **Wealthy Americans with estates valued at $11,200,000** (couples with $22.4 million) would pay zero estate tax (and that same threshold for their spouse) and use portability in 2018 and after. In 2017, the estate tax is levied on estates whose value is over $5.49 million per taxpayer/decedent. Also the generation-skipping exemption is increased to $11.2 million per

taxpayer, allowing the wealthy to pass larger chunks of wealth, tax-free, to their extended families.

- **Airplane owners** (do you see a pattern here?) escape myriad excise taxes.
- **Accountants, Attorneys & CERTIFIED FINANCIAL PLANNERS™** will not lack for work to analyze and understand the implications of the Tax Cuts and Jobs Act; ultimately strategizing plans for the disappearing Middle Class to hold their own without paying unnecessary taxes, and yes, to also benefit the Upper Class by detecting loopholes. This bill is NOT simplified, as was promised.

Losers:

- **Persons paying Alimony** in years 2019 and thereafter, insomuch as the deduction for same is eliminated. (Those paying alimony in tax years 2017 and 2018 will still receive their full deduction from income.)
- **Homeowners living in high income tax states**—again disproportionately penalizing Red states (hmmm…) since the TOTAL deduction of income taxes AND property taxes paid is only $10,000 annually.
- **Homeowners living in high property tax states** since the combo of this and state & local income taxes is capped at $10,000 annually. (My NJ property tax is well over $14k, for example, and many pay well north of $23,000.)
- Other losers appear to be **persons with ongoing hefty medical expenses** in that I can find NO provision for deductibility of ANY amount after tax year 2018, in my reading of the bill! (Granted, expenses that exceed 7.5% of AGI are deductible in 2017 and 2018.)
- **Service Professionals** (other than Engineers & Architects) do NOT benefit by the 20% deduction in Pass-Through Income & will pay far higher income taxes accordingly.
- Americans unable to deduct those **professional fees** to the extent they exceed 2% of AGI.
- Folks who chose to **'convert' Traditional IRA monies into a Roth IRA**, used to be able to re-characterize the taxable amount IF the market value dropped subsequent to the transfer. Regardless of the unfairness of paying excess taxes on a depreciated Roth IRA, however, there will be NO more re-characterization to otherwise equalize the taxes paid.
- Americans will surely **pay much higher health insurance premiums** since the Individual Mandate has been struck from existence within the Affordable Care Act.

There is no time to waste before the end of the year, call us IMMEDIATELY with any questions at 973-706-8924.

To your continued Empowerment,

Debra L. Morrison