



How Tax Reform Will Affect Millennials



Single

- Colorado resident
- Rents home
- Income
 - Junior Accountant: \$42,000

	2017	2018
Adjusted Gross Income (AGI)	\$41,416	\$41,416
Total Deduction + Exemptions	\$10,400	\$12,000
Taxable Income	\$31,016	\$29,416
Tax Withheld	\$4,576	\$3,692
Tax Bracket	15%	12%

Net Benefit: \$847



Single with Two Children

- Texas resident
- Rents home
- Income
 - Retail Associate: \$32,000
 - Receives new 20% business income deduction in 2018
 - Freelance Photographer: \$5,000 (net profit)
- Other Expenses
 - Childcare: \$2,400 (Employer paid - \$800)

	2017	2018
Adjusted Gross Income (AGI)	\$36,626	\$36,626
Total Deduction + Exemptions	\$21,500	\$18,000
Taxable Income	\$15,146	\$17,626
Tax Withheld	\$0	\$0
Tax Bracket	15%	12%
Child Tax Credit (non-refundable)	\$1,025	\$1,843
Child Tax Credit (refundable)	\$975	\$2,157

Net Benefit: \$1,758



Married

- North Carolina residents
- Rent apartment
- Income
 - Teacher: \$40,000
 - Self-employed contractor: \$36,785 (net profit)
 - Receives new 20% business income deduction in 2018

	2017	2018
Adjusted Gross Income (AGI)	\$72,774	\$72,774
Total Deduction + Exemptions	\$20,800	\$24,000
Taxable Income	\$51,974	\$41,417
Tax Withheld + Estimated Tax Payments	\$11,484	\$10,808
Tax Bracket	15%	12%

Net Benefit: \$2,274



Married with One Child

- New Jersey residents
- Homeowners
- Income
 - Senior Accountant: \$75,000
 - Interior Designer: \$50,000
- Itemized deductions
 - Mortgage interest: \$6,000
 - Property taxes: \$7,500
 - Charitable donations: \$2,000

	2017	2018
Adjusted Gross Income (AGI)	\$124,688	\$124,688
Total Deduction + Exemptions	\$31,696	\$24,000
Taxable Income	\$92,992	\$100,688
Tax Withheld	\$16,536	\$13,208
Tax Bracket	25%	22%
Child Tax Credit (non-refundable)	\$250	\$2,000

Net Benefit: \$2,428