



2017 PLANNER CS, v.2017.2.0
User Bulletin 8524: Update and Special Information

January 30, 2018

This user bulletin describes changes made to this release of Planner CS® and special information regarding future releases related to Tax Cuts and Jobs Act law changes.

CHANGES

Tax Cuts and Jobs Act

This release of Planner CS includes several federal calculation changes related to the recently-enacted Tax Cuts and Jobs Act (TCJA). Changes to Planner CS are summarized below, and are effective for tax years 2018 through 2025 (unless otherwise noted).

- There are lower ordinary income tax rates of 10%, 12%, 22%, 24%, 32%, 35% and 37%. In addition, the ordinary income marginal tax bracket sizes are revised.
- There are increased standard deduction amounts.
- The personal exemption amount is set to zero.
- The child tax credit is increased to \$2,000 per child, and up to \$1,400 of the credit is refundable. A new nonrefundable credit of \$500 is available for non-child dependents. The income level at which the credit begins to phase out is increased to \$200,000 (\$400,000 on a joint return). The earned income threshold for computing the refundable child credit is reduced to \$2,500.
- The new 20% deduction for qualified business income (QBI) is available for up to two business activities. To view this change in Planner CS, click the federal Deductions button and see the new QBI Deduction, QBI Activity 1, and QBI Activity 2 tabs.

Note: A subsequent release of Planner CS scheduled for February of 2018 will enable you to calculate the QBI deduction for an unlimited number of business activities.

- Alternative minimum tax exemption amounts are increased, as are the threshold amounts for phase-out of the exemption.
- For tax years 2017 and 2018, the AGI floor used to calculate the itemized deduction for medical expenses is reduced to 7.5% for all taxpayers, regardless of age.
- The itemized deduction for the aggregate of state, local, and foreign income taxes, state and local property taxes, and general sales taxes (if elected) is limited to \$10,000 (\$5,000 if married filing separately).
- Miscellaneous itemized deductions subject to the 2% of AGI floor are disallowed.
- The overall limitation on itemized deductions for high-income taxpayers is suspended.
- For all tax years 2019 and later, the shared responsibility payment under the Affordable Care Act is eliminated.
- For all tax years 2018 and later, the domestic production activities deduction is eliminated.

2017 UltraTax/1040 and Planner CS integration

The ability to import data from 2017 UltraTax CS is available with this release of Planner CS. You must install UltraTax CS/1040 version 2017.3.0 or higher to enable the export of 2017 client data to Planner CS. UltraTax CS/1040 version 2017.3.0 is scheduled to be released on February 1, 2018.

W-4 Calculator is updated for tax year 2018

The W-4 Calculator is updated to include the 2018 federal income tax withholding rate schedules.

Form 2210 underpayment penalty

The federal module is updated to include the 4% interest rate for tax underpayments for the first quarter of 2018.

State updates

The following state modules have been updated with the most recent information available at the time of this release: Arizona, California, Colorado, District of Columbia, Georgia, Hawaii, Idaho, Kansas, Maine, Maryland, Missouri, Nebraska, New Mexico, New York, North Carolina, Oklahoma, Oregon, South Carolina, Utah, Vermont, Virginia, and Wisconsin.

SPECIAL INFORMATION

Comparative Report with the Tax Cuts and Jobs Act

With Planner CS, you can use the following procedure to create a report that compares your client's tax liability under TCJA to the tax liability under pre-TCJA law.

1. After completing the client's 2017 1040 tax return, create a one-year, one-alternative plan that matches the 2017 return data. UltraTax/1040 users can accomplish this by exporting the client data to Planner CS from UltraTax. For additional information, see the above **2017 UltraTax/1040 and Planner CS integration** section.
2. Choose Edit > Plan Years > Add and enter **2017** in the **Copy data from year** field. Click OK to add the 2018 tax year to the plan, copying data from the 2017 plan column.
3. Next, edit the 2018 plan column as necessary to account for new provisions in the TCJA, such as the Qualified business income deduction, as described above in the **Tax Cuts and Jobs Act** section.
4. Choose the Main > Summary tab to see a side-by-side comparison of the client's income, deductions, and tax, illustrating how the client's 2017 taxes would be affected by the TCJA.

Note: You can choose View > Difference Analysis to create a third plan column, which displays the difference between 2017 and 2018 for each row of the plan.

5. To print the report, choose File > Print Reports, click the Tax Projection report option, and then click Preview or Print. The Tax Projection report provides a concise one- or two-page summary of the tax plan, along with a one-page summary for each attached state plan.

Tax Cuts and Jobs Act, additional changes

Subsequent updates of Planner CS will include additional tax law changes associated with the Tax Cuts and Jobs Act. Information about pending releases of Planner CS will be posted in the Planner CS Alerts and Notices section of the Help & How-To Center. You can access [Alerts and Notices](#) from the Support and Research section of the Planner CS Home Page.

Planner CS state calculations and the Tax Cuts and Jobs Act

The Tax Cuts and Jobs Act (TCJA) includes a wide range of federal individual tax law changes that will affect state taxation. State agencies are still working to establish guidance as to how individual states will account for these changes; therefore, you should carefully review state tax plans for the effects of the TCJA, and edit your state plan accordingly.