ACCC Discusses the New Tax Reform for 2018 Filings

American Consumer Credit Counseling explains what consumers need to know about the new tax reform changes

BOSTON (PRWEB) January 31, 2019 -- If consumers want to maximize their tax refund this year, it is important they understand the changes that have gone into effect. The impact of the tax reform, whether it be positive or negative, depends on each consumer’s situation. To help educate taxpayers, national nonprofit American Consumer Credit Counseling explains what consumers need to know about the tax reform when filing this year.

“With these new tax reform changes, some consumers may get a tax break while others may experience smaller refunds than they’re used to,” said Steve Trumble, President and CEO of American Consumer Credit Counseling. “It is important that consumers are aware of these changes and how they might impact their tax refunds, whether it be positive or negative.”

According to CPA Practice Advisory, 140.9 million consumers filed their taxes between January 29, 2018 and May 4, 2018. Of those that filed, 89 percent did it electronically. In 2018, 101 million consumers received $282 billion in refunds from the IRS, with an average refund of $2,600.

ACCC discusses the new tax reform.
1. New tax brackets – The tax brackets for 2018 were updated with lower top marginal tax rates, percentage of income paid on taxes, and updated income levels. The new brackets are 10 percent, 12 percent, 22 percent, 24 percent, 32 percent, 35 percent and 37 percent. Check your tax return to see what bracket you fall into.
2. Tax deductions – The standard tax deduction has increased from $6,350 to $12,000 for single taxpayers, from $12,700 to $24,000 for married filing jointly and $9,350 to $18,000 for head of household.
3. Personal exemptions – Personal exemptions have now been eliminated. Originally the exemption allowed each family to subtract $4,050 for each child or dependent.
4. State and Local Taxes (SALT) – With the new tax freeform, SALT deductions are limited to $10,000. Before, there was no limit on SALT deductions. This change affects those who itemize their deductions.
5. Child/dependent tax – The tax reform changes increase the child/dependent tax from $1,000 to $2,000 per child, with $1,400 being refundable.
6. Mortgage interest tax deduction – The tax reform restricts how much mortgage interest can be deducted, decreasing from $1 million to $750,000 for married couples and to $375,000 for married couples filing separately.
7. Charitable donations – With charitable donations, the tax reform increased the deduction from 50 percent to 60 percent of income for those who itemize their deductions.

ACCC is a 501(c)3 organization that provides free credit counseling, bankruptcy counseling, and housing counseling to consumers nationwide in need of financial literacy education and money management. For more information, contact ACCC:

- For credit counseling and student loan counseling, call 800-769-3571
- For bankruptcy counseling, call 866-826-6924
- For housing counseling, call 866-826-7180
About American Consumer Credit Counseling
American Consumer Credit Counseling (ACCC) is a nonprofit credit counseling 501(c)(3) organization dedicated to empowering consumers to achieve financial management through credit counseling, debt management, bankruptcy counseling, housing counseling, student loan counseling and financial education concerning debt solutions. To help consumers reach their goal of debt relief, ACCC provides a range of free consumer personal finance resources on a variety of topics including budgeting, credit and debt management, student loan assistance, youth and money, homeownership, identity theft, senior living, and retirement. Consumers can use ACCC’s worksheets, videos, calculators, and blog articles to make the best possible decisions regarding their financial future. ACCC holds an A+ rating with the Better Business Bureau and is a member of the National Foundation for Credit Counseling® (NFCC®). For more information or to access free financial education resources, log on to ConsumerCredit.com or visit http://www.consumercredit.com/financial-education.aspx
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