

WHAT'S NEW FOR TAX YEAR 2019

Health Care Coverage for 2019 you no longer need to either make a shared responsibility payment or file Form 8965 if you don't have minimal essential coverage for part or all of 2019.

Tax Provisions that were set to expire at the end of 2017 have been extended for the following: Tuition & Fees Deduction, Deduction for mortgage insurance premiums, nonbusiness energy property credit, alternative fuel vehicle refueling credit. If you are eligible for one or more of these benefits for tax year 2018, you will need to file an amended return Form 1040-X.

Lifetime Learning Credit for 2019 is gradually reduced if your MAGI is between \$58,000 and \$68,000 (\$116,000 and 136,000 if you file a joint return). You can't claim the credit if your MAGI is \$68,000 or more (\$136,000 or more if you file a joint return).

The Standard Deduction for 2019 has increased for all filers as follows \$12,200 if filing single, \$24,400 if married filing jointly or qualifying widower, \$12,200 if married filing separate returns, and \$18,350 if head of household.

Student Loan Interest Deduction for 2019 is gradually reduced if your MAGI is between \$70,000 and \$85,000 (\$140,000 and \$170,000 if you file a joint return). You can't claim the deduction if your MAGI is \$85,000 or more (\$170,000 or more if you file a joint return).

Tuition and Fees Deduction has been extended to cover qualified education expenses paid in 2018, 2019, and 2020.

Retirement Plan Contributions for 2019 are as follows, the basic limit for 401K contributions is \$19,000, plus another \$6,000 for those who are at least age 50. Total contributions to all traditional and Roth IRAs cannot exceed \$6,000, or for taxpayers age 50 and older, \$7,000.

Saver's Credit income limit is \$64,000 for married couples filing jointly, \$48,000 for head of household, and \$32,000 for singles and married individuals filing separately for 2019.

AMT Exemption Amount for 2019 has been increased to \$71,700 (\$111,700 if married filing joint or qualifying widower), \$55,850 if married filing separately. The income level at which the AMT exemption begins to phase out has increased to \$510,300 or \$1,020,600 if married filing jointly.

Maximum Earned Income Credit for 2019 has increased to \$6,557 for taxpayers filing jointly who have three or more qualifying children, up from a total of \$6,431 for tax year 2018.

Standard Mileage rate for 2020 is 57.7 cents (business) and 17 cents (moving or medical) and 14 cents (service of charitable organizations).

Maximum credit allowed for adoptions is the amount of qualified adoption expenses up to \$14,080, up from \$13,810 for 2018.

Estates of decedents who died during 2019 have a basic exclusion amount of \$11,400,000, up from a total of \$11,180,000 for 2018.

Foreign Earned Income Exclusion for 2019 has increased to \$105,900 up from \$103,900 for tax year 2018.

Monthly limitation for the qualified transportation fringe benefit is \$265, up from \$260 for tax year 2018.

Dollar limitation for employee salary reductions for contributions to health flexible spending arrangements is \$2,700, up \$50 from the 2018 limit.

California Health Care Mandate effective January 1, 2020 a new state law requires California residence to maintain qualifying health insurance throughout the year. This requirement applies to each resident, their spouse or domestic partner, and their dependents.

California New Employment Credit the sunset date for this credit is extended until taxable years beginning before January 1, 2026.

California Competes Tax Credit the sunset date for this credit is extended until taxable years beginning before January 1, 2030.