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# The Tax Bill Cometh: Moves To Consider Before 2018 Arrives



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## Tax Planning & Structuring

The Senate and the House have each passed their own version of Tax Reform. In comparing the two bills there are many similarities, however, there are also many differences that will have to be reconciled as the two bills are merged into a single piece of legislation. It is unclear at this point how these differences will be resolved. However, the House did vote to go to conference with the Senate to reconcile the two bills.

With this in mind, now is the time to review options that will help you lower your tax bill for this year and maybe even the next. Some moves to consider include:

- Defer, until early 2018, a 2017 bonus or other ordinary income. This could cut your tax as well as defer it, if Congress reduces tax rates beginning in 2018.
- Pay state and local taxes in 2017 to receive a 2017 deduction if you expect to owe when you file your return next year and you won't be subject to alternative minimum tax (AMT) in 2017. This would be very beneficial if Congress eliminates such deductions beginning next year.
- Pay real estate taxes in 2017 to receive a 2017 deduction if you won't be subject to alternative minimum tax (AMT) in 2017. This would be very beneficial if Congress eliminates or severely limits the deduction beginning next year. If you wish to prepay your real estate taxes in Illinois, please contact us to discuss county-specific rules and procedures.
- Pay miscellaneous itemized deductions, medical expenses and other itemized deductions in 2017 to receive a 2017 deduction. This would be very beneficial if Congress eliminates such deductions beginning in 2018. We can discuss with you the alternative minimum tax (AMT) implications, if any, of accelerating these deductions.
- If you own multiple lots of a security, sell your high basis shares if you would otherwise consider trimming the position. This would be very beneficial if Congress eliminates the option to select the lots sold and requires the use of FIFO (first in first out) beginning in 2018.
- Make charitable contributions of low basis marketable securities if you are otherwise considering a gift to a public charity. You will receive a charitable deduction for the fair market value of the securities and will not include the appreciation in income.

We suggest that you contact us at your earliest convenience so that we can advise you on which of these considerations, along with the many other tax-saving moves, apply to your situation.

We continue to watch what's going on in Washington and once we have a clear view of what will be included in (and excluded from) the final tax bill, we can more fully explain what it means to you, your family and/or your business.