*Presentation:*Tax Planning For TCJA's (Scheduled) Sunset: Preparing Clients For Change Amid Legislative Uncertainty

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*Session Description:*

The Tax Cuts and Jobs Act (TCJA) of 2017 introduced a great many changes to the individual tax system, from a restructuring of the tax brackets themselves to shifts in the amount and number of deductions, exemptions, and credits available to taxpayers. But the caveat is that most of TCJA's provisions are scheduled to expire at the end of 2025, which means that taxpayers are set to undergo the second major tax overhaul in the last 10 years, even if it's just as a result of going back to the "old" system. In many cases, taxpayers will slightly higher tax rates on their taxable income; however, a reduced standard deduction, more available itemized deductions, restoration of personal exemptions, reductions in the Alternative Minimum Tax (AMT) exemptions and phaseout levels, and the elimination of the Sec. 199A deduction on Qualified Business Income QBI will each have a significant impact on the amount of tax people actually pay. Meanwhile, TCJA's sunset will reduce the gift and estate tax exemption by 50%, potentially subjecting many more families to estate tax after 2025 (unless they take action to gift or transfer assets from their estate to take advantage of today's higher exemption). And even though it's uncertain whether some or all of TCJA will be extended, modified, or allowed to expire (which will ultimately be decided after the 2024 elections and legislative negotiations to follow), tax planners will benefit from knowing what aspects of their clients' tax pictures stand to change as a result of TCJA's sunset and what planning opportunities exist so they can take action once there's more certainty.

*Learning Objectives:*

- LO #1: Identify the changes to individual tax brackets that will take place after TCJA's expiration

- LO #2: Describe the impact of the planned changes to standardized and itemized deductions, exemptions, and credits on a family's tax situation

- LO #5: Describe how changes to the Alternative Minimum Tax system will affect taxpayers after TCJA's sunset

- LO #3: Recognize when a business owner would want to accelerate or defer income to maximize the Sec. 199A deduction before its planned expiration

- LO #4: Name the strategies a family could use to avoid becoming subject to higher estate tax after TCJA's sunset

*Level of Complexity:*

- Intermediate

*Topic Area(s):*

- Income Tax Planning

*Hour(s) of CE:*

- 1 hour

*Outline:*

* Background of the TCJA legislation and sunset provisions 4 minutes
* Changes to individual tax brackets 6 minutes
* Changes to standard and itemized deductions 6 minutes
* Changes to Alternative Minimum Tax 4 minutes
* Elimination of Sec. 199A deduction 6 minutes
* Projecting impact of TCJA's sunset on clients' taxes 6 minutes
* Reduction of the gift/estate tax exemption 8 minutes
* Planning takeaways for an uncertain legislative environment 8 minutes
* Summary & Q&A 2 minutes

Total: 50 minutes