

2018 IRS UPDATES & TAX TABLES

New Standard Mileage Rates for 2018

The new standard mileage rate for 2018 went into effect on January 1st and is one cent more than the rate for 2017. Although the standard mileage rate does not apply to dump trucks or other heavy machinery used by construction contractors, all other cars, vans, pickups and panel trucks driven for business purposes are eligible for the deduction. Driving for medical or moving purposes was also increased by one cent, while driving in service of a charitable organization remains the same.

The standard mileage rates for 2018 are:

- 54.5 cents for every mile of business travel driven, up 1 cent from the rate for 2017
- 18 cents per mile driven for medical or moving purposes, up 1 cent from the rate for 2017
- 14 cents per mile driven in service of charitable organizations

Click [here](#) to view the notice posted on IRS.gov.

New Deadline for Supplying ACA Forms

The IRS has extended the deadline for supplying Affordable Care Act (ACA) Forms to employees until March 2, 2018. This gives Applicable Large Employers an additional 30 days to distribute Form 1095-B and Form 1095-C to their employees covered by the employer's health plan. Although the information on the forms may be helpful in preparing the tax returns, they are not required to file a return.

The due date for filing 2017 information returns was not extended. February 28th is the deadline for paper filers and April 2nd for electronic filers. To view Notice 2018-06 released by the IRS, click [here](#).

A New Year, A New Tax Table

As we begin each new year, there are often many changes that come along with it. One noticeable change that most of us will benefit from this new year is the update to the IRS Income Tax Withholding Table. It is estimated that 90% of wage earners will see an increase in their take home pay as a result of the new tax reform law that was passed in December.

QUESTIONS?

If you have any questions on how these tax changes could affect you, contact Tracie Dupuy at tracie.dupuy@hornellp.com or 601.326.1146.

Although employees do not need to take any action, employers should implement the new withholding amounts immediately if possible, but no later than February 15th. The IRS is currently working on a new Form W-4 and withholding tax calculator to reflect the tax law updates and to ensure employees are withholding accurate amounts.

The 2017 and 2018 tax rates and income brackets are below. To view Notice 1036 released by the IRS, click [here](#).

2018		
Tax Rate	Single	Married Filing Jointly
10%	\$0 to \$9,525	\$0 to \$19,050
12%	\$9,526 to \$38,700	\$19,051 to \$77,400
22%	\$38,701 to \$82,500	\$77,401 to \$165,000
24%	\$82,501 to \$157,500	\$165,001 to \$315,000
32%	\$157,501 to \$200,000	\$315,001 to \$400,000
35%	\$200,001 to \$500,000	\$400,001 to \$600,000
37%	Over \$500,000	Over \$600,000

2017		
Tax Rate	Single	Married Filing Jointly
10%	\$0 to \$9,325	\$0 to \$18,650
15%	\$9,326 to \$37,950	\$18,651 to \$75,900
25%	\$37,951 to \$91,900	\$75,901 to \$153,100
28%	\$91,901 to \$191,650	\$153,101 to \$233,350
33%	\$191,651 to \$416,700	\$233,351 to \$416,700
35%	\$416,701 to \$418,400	\$416,701 to \$470,700
39.6%	Over \$418,400	Over \$470,700



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