

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors

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More Thoughts on Tax Reform

There are always winners and losers when major tax reform proposals are released. We all need to be cautious about being swayed by the usual political rhetoric. In releasing their proposal, House Republicans have stated that “Americans at every income level will receive tax relief.” Meanwhile, the Democrats responded that “this bill is massively skewed towards those at the top.” Neither of these statements are 100% accurate.

No doubt, the proposals do in fact contain certain provisions that can benefit some wealthy (as well as middle and lower income) taxpayers. However, a typical high income taxpayer could very well see a significant tax increase, even though the tax rates have remained unchanged, due to the elimination of many common deductions.

Several scenarios involving wage earners earning between one and ten million dollars who were homeowners, live and work in the tristate area, and have typical (if there is such a thing) deductions, saw their overall federal tax burden increase as much as 10% under the new bill!

With the proposed individual tax reforms, there are many beneficial provisions and simplification is certainly an admirable goal. However, the bill most certainly isn't a benefit package for the wealthy, as many high earning taxpayers will see their taxes increase. As more details are released, taxpayers will be able to accurately understand how the tax bill affects them.

We are continuing to monitor ongoing tax reform discussions to understand how they may impact our clients. For more information, please contact your Anchin Relationship Partner.



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