

TAXES TODAY

eNewsletter for
Tax Professionals

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2019's 1040 Seems Like an Improvement

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With the 2018 extended individual tax return deadline closing in, you might not be thinking about the 2019 Form 1040 yet. But the IRS is, and has completed the initial draft of that form, which has been overhauled and industry experts have said for the better, compared to 2018.



In fact, the recently released draft 2019 Form 1040, with many of the prior year's 1040 schedules eliminated and others combined, looks more like 2017's 1040. And perhaps with the IRS' intent to discourage taxpayers from feigning ignorance of their federal tax liability, the taxpayer's signature will return to the end of the form, right under the final tax numbers.

Some other notable expected changes for the 2019 Form 1040 are as follows:

- Alimony is no longer deductible to the *payer* and no longer taxable to the *payee* for divorce agreements put in place after January 1, 2019.
- The medical expense deduction is back to a 10 percent threshold.
- With the Affordable Care Act rescinded on January 1, 2019, there will no longer be a penalty for taxpayers that did not have health insurance during the year.

In addition to the updates above, 2019 will see many new tax forms. Some of the most noteworthy are as follows:

- [Form 1040-SR](#): an easier to read Form 1040 specifically designed for seniors.
- [Form 8995](#) and [8995-A](#): for calculating the qualified business income deduction.
- [Form 8997](#): used to report initial and annual changes to Qualified Opportunity Fund investments.

Finally, it appears the IRS is, once again, trying to redesign the [Form W-4 for 2020](#). The most impactful proposed change will be eliminating allowances, which makes sense given personal exemptions were

removed with the passing of the Tax Cuts and Jobs Act. Hopefully, this will help mitigate the underwithholding issues that have plagued many taxpayers since the tax reform was put in place.

We are here to help.

As always, please feel free to reach out and call (916-405-9166) or email (spitchford@towerpointwealth.com) with any questions, thoughts, or needs you may have. At Towerpoint Wealth, we are happy to be a direct and no-strings-attached resource for you.



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