

Middle East Tax Services

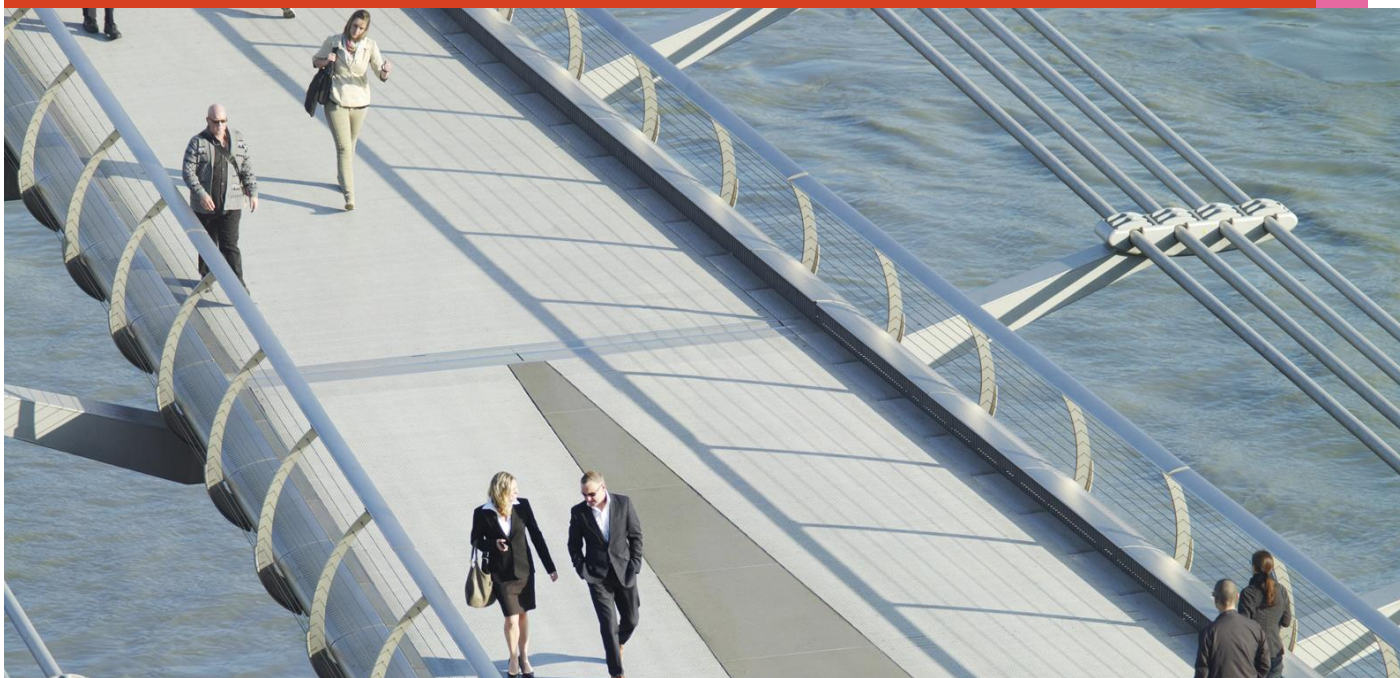
# *Make Mobility Easy*

## US Tax Updates

### ABC Dubai

*Strictly private  
and confidential*

*March 2018*



**pwc**

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# *Tax Reforms*



## Regular Tax Rates

### Single

2017



2018



# Regular Tax Rates

## Married Filing Jointly

2017



2018



# Regular Tax Rates

## Married Filing Separately

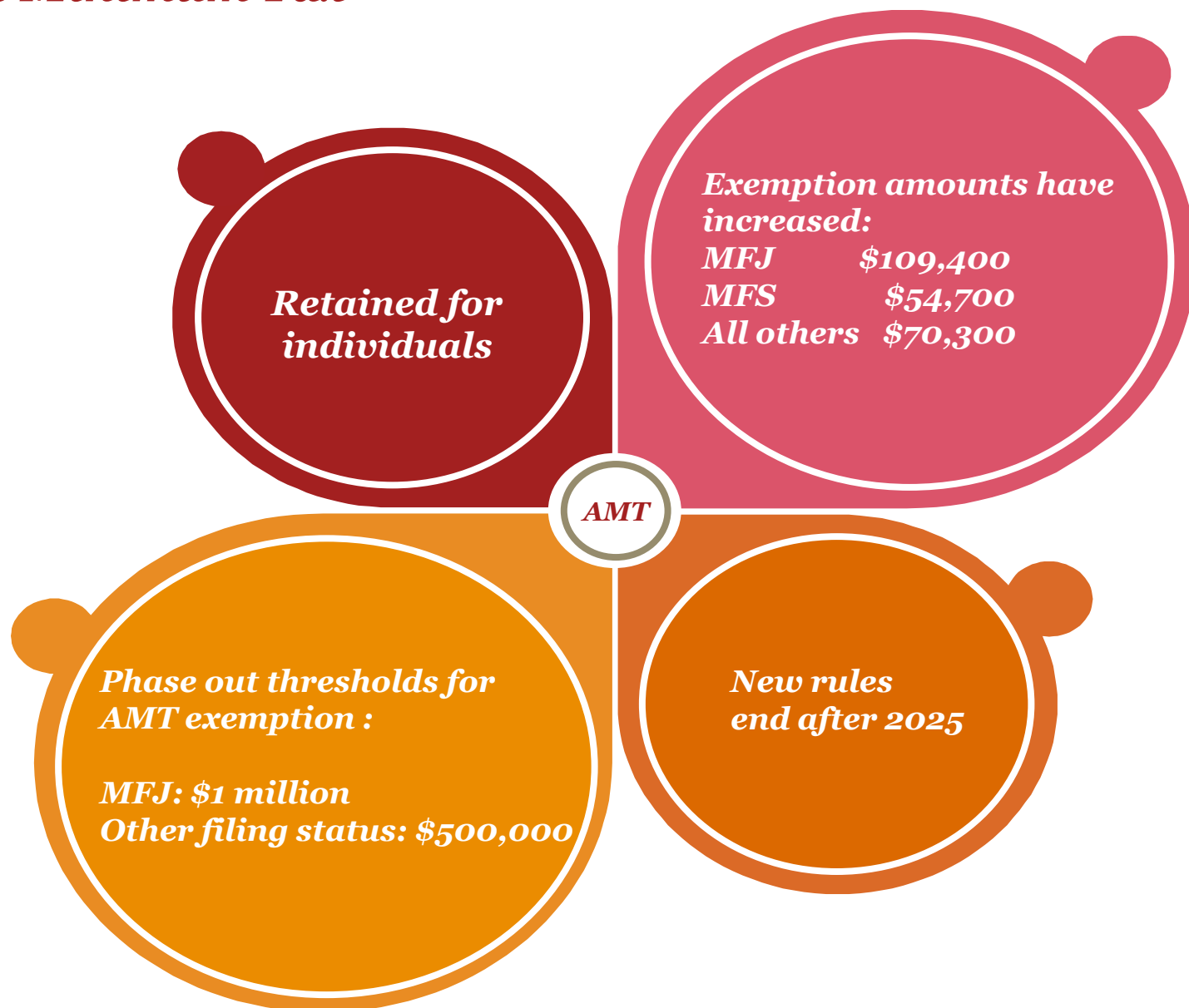
2017



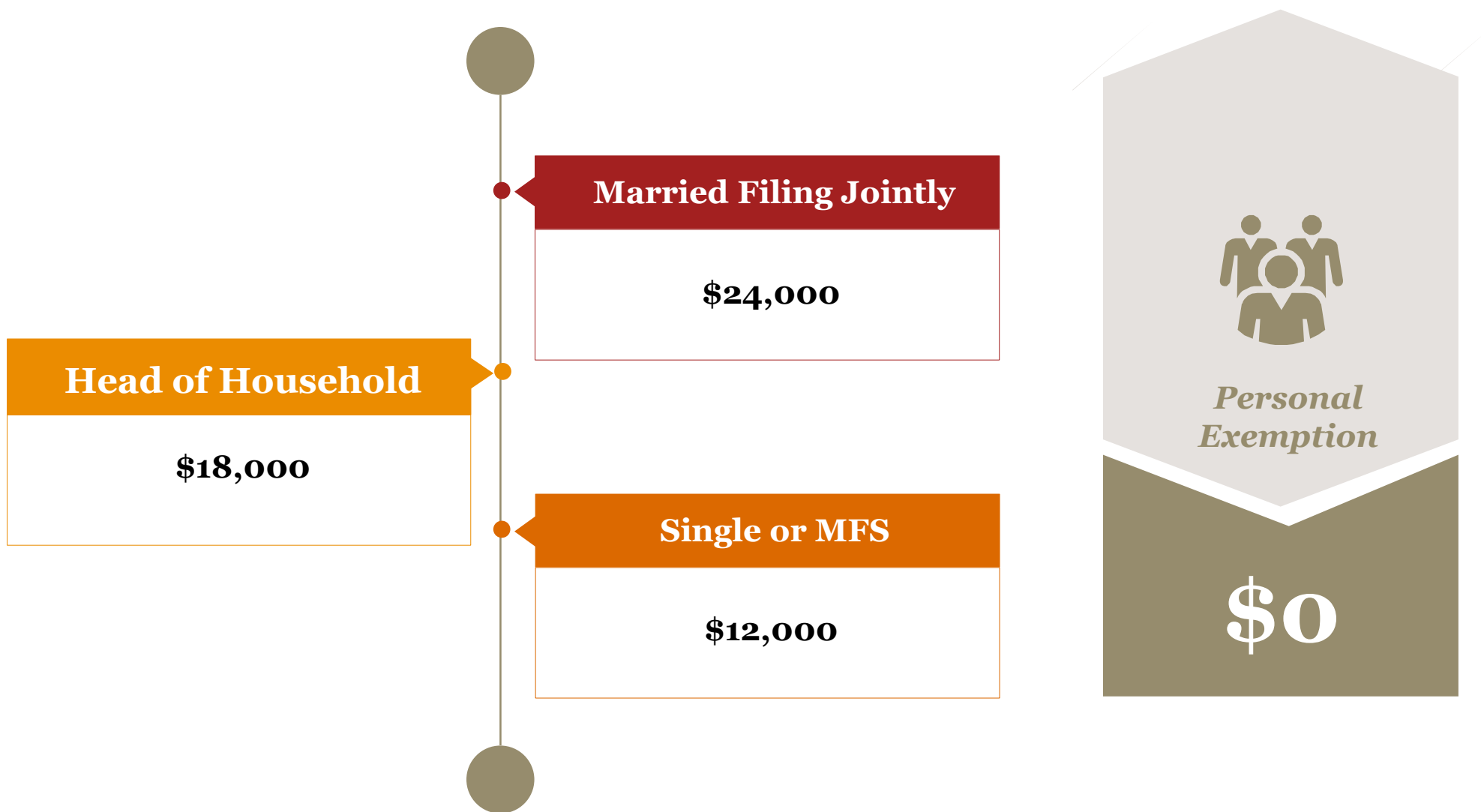
2018



## *Alternative Minimum Tax*

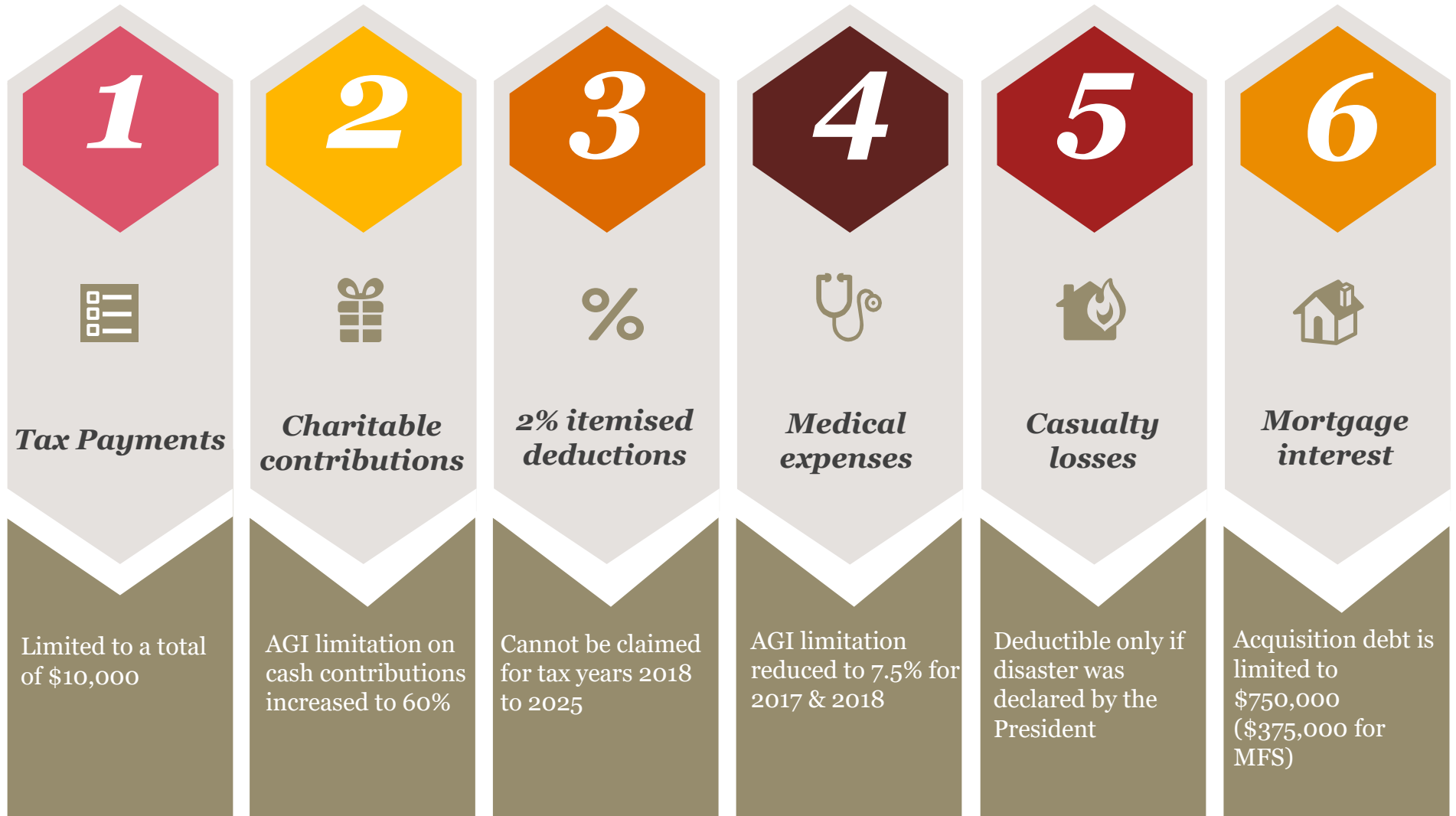


## *Standard Deduction and Personal Exemption*





# Itemised Deductions



## Other Tax Reforms

01

### Pass-through entities

- ✓ 20% deduction for certain pass-through income, provided certain requirements are met.

02

### Carried interest – Partnership interest

- ✓ Holding period should be three years to qualify as long term capital gain.

03

### Child tax credit

- ✓ \$2,000 credit per dependent child (\$1,400 refundable) and a non-refundable family credit of \$500 for other dependents.

04

### Section 529 plans

- ✓ Up to \$10,000 can be used for elementary and high school costs.

05

### Alimony

- ✓ Neither deductible nor includible for divorce or separation instruments executed after 31 December 2018.

## Other Tax Reforms

06

### Shared responsibility payment (Obama care)

- ✓ Individual responsibility payment is reduced to zero.
- ✓ Effective beginning after 31 Dec 2018.

07

### Estate, gift, and generation-skipping transfer tax

- ✓ Exemption amount increased to \$10 million.

08

### Re-characterisation of Roth conversions

- ✓ Not available starting 2018.

09

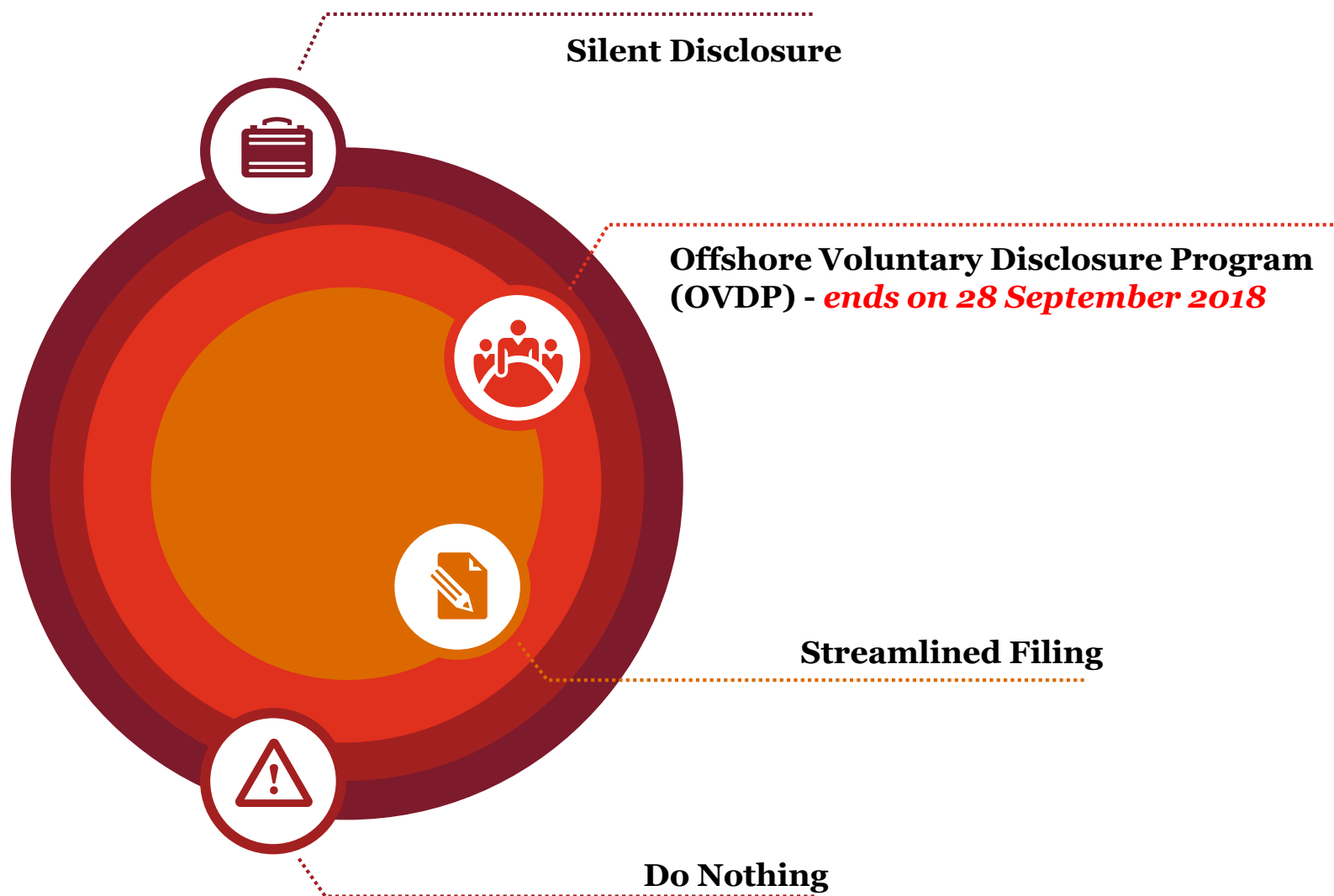
### Moving expense

- ✓ No longer deductible or excludable from income if employer-provided.
- ✓ Applicable for tax years 2018 to 2025.

# *Disclosure Options*



# Disclosure Options



# *Gift and Estate Tax*



## *Gift and Estate Tax Overview*

The United States transfer tax system composes of gift, estate and generation-skipping transfer taxes.

All US citizens and non-US citizens who are domiciled in the US are potentially subject to U.S. gift and estate taxes on transfers of assets owned worldwide.

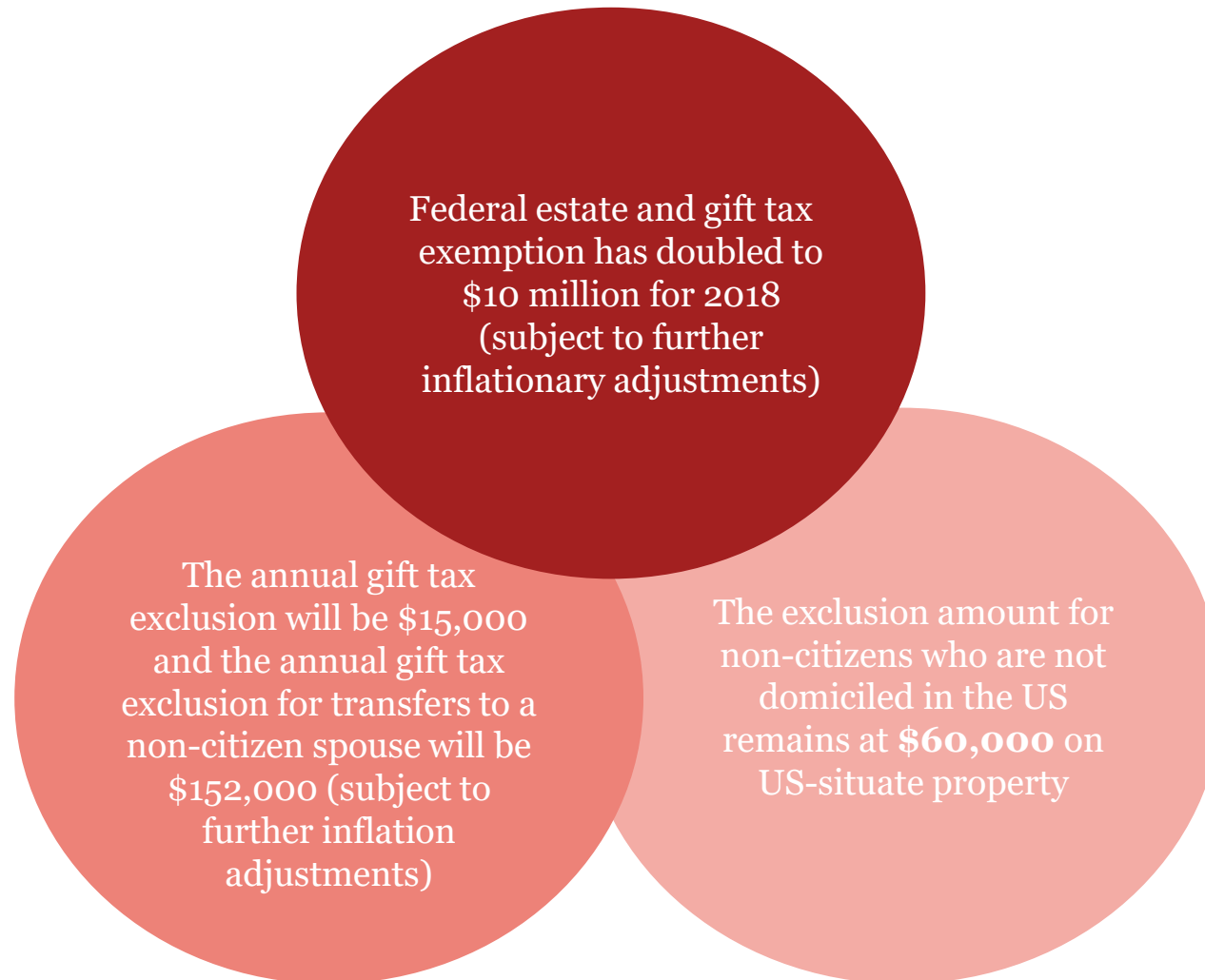
### *Gift and Estate Tax*

Non-US domiciled aliens are only subject to U.S. transfer taxes on the transfer of certain property located or deemed to be located in the US at transfer.

Gift tax is assessed on property transferred during life, and the estate tax is based on property transferred at death.

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## *Gift and Estate Tax Exemptions- 2018 rates*





# *Tax Planning*



# *Tax Planning*

## Tax Planning

Dividends Received Deduction (DRD) / Qualified Dividend Planning

Use of additional increased estate tax exemption per person permits various planning opportunities for estate tax purposes.

Avoid making lifetime gifts of appreciated assets with a low basis

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## Questions?



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