

## ¶120 Filing Threshold for 2018; Due Diligence Tax Return Preparer Requirement

## **NEW LAW EXPLAINED**

**Filing thresholds increased; paid preparer due diligence requirements.**—Generally effective for tax years beginning after December 31, 2017, the elimination of the personal exemption deduction (¶210) and the increase in the standard deduction (¶205) establish new filing thresholds. For 2018, the filing thresholds will be (assuming no recalculation in the amount of the additional standard deduction for taxpayers over age 65 or who are blind due to the use of a new inflation-adjustment factor (¶125)):

Single Individual	\$12,000
Single individual, 65 or older or blind	13,600
Single individual, 65 or older and blind	
	15,200
Married individual, separate return	0
Married couple, joint return	24,000
Married couple, joint return, one spouse 65 or older or blind	25,300
Married couple, joint return, one spouse 65 or older and blind	26,600
Married couple, joint return, both spouses 65 or older or blind	26,600
Married couple, joint return, both spouses 65 or older and blind	29,200
Head of household	18,000
Head of household, 65 or older or blind	19,600
Head of household, 65 or older and blind	21,200
Qualifying widow(er) (surviving spouse)	24,000
Qualifying widow(er) (surviving spouse), 65 or older or blind	25,300
Qualifying widow(er) (surviving spouse), 65 or older and blind	26,600

**Tax return preparer due diligence.** Effective for tax years beginning after December 31, 2017, the requirement that tax return preparers must satisfy due diligence in ensuring that clients qualify for the child, American Opportunity, lifetime learning, and earned income tax credits is extended to apply to head of household status. Each failure to exercise such due diligence in ensuring that a client meets the requirements of head of household status, and thus qualifies for the filing threshold for head of household status, will result in a \$500 penalty (Code Sec. 6695(g), as amended by the Tax Cuts and Jobs Act.

**Effective date.** The provision applies to tax years beginning after December 31, 2017 (Act Sec. 11001(c) of the Tax Cuts and Jobs Act.