

The Tax Cut and Job Act

Other Provisions for Individuals

Alimony: For any divorce or separation agreement executed after Dec. 31, 2018, the act provides that alimony and separate maintenance payments are not deductible by the payer spouse. It repealed the provisions that provided that such payments were includible in income by the payee spouse.

Moving expenses: The moving expense deduction is repealed through 2025, except for members of the armed forces on active duty who move pursuant to a military order and incident to a permanent change of station.

Archer MSAs: The House bill would have eliminated the deduction for contributions to Archer medical savings accounts (MSAs); the final act did not include this provision.

Educator's classroom expenses: The final act did not change the allowance of an above-the-line \$250 deduction for educators' expenses incurred for professional development or to purchase classroom materials.

Exclusion for bicycle commuting reimbursements: The act repealed through 2025 the exclusion from gross income or wages of qualified bicycle commuting expenses.

Sale of a principal residence: The act did not change the current rules regarding exclusion of gain from the sale of a principal residence.

Moving expense reimbursements: The act repealed through 2025 the exclusion from gross income and wages for qualified moving expense reimbursements, except in the case of a member of the armed forces on active duty who moves pursuant to a military order.

IRA recharacterizations: The act excludes conversion contributions to Roth IRAs from the rule that allows IRA contributions to one type of IRA to be recharacterized as a contribution to the other type of IRA. This is designed to prevent taxpayers from using recharacterization to unwind a Roth conversion.