

## THE ROAD AHEAD ... SIMPLIFIED OVERVIEW OF INDIVIDUAL INCOME TAX DETERMINATION

(Tax Years 2018-2025, as anticipated by 2017 Tax Act)

GROSS INCOME ..... Inclusions (§ 61 & others); Exclusions (§§ 101 +)  
minus DEDUCTIONS ..... Deductions listed in § 62 (“above-the-line” deductions)  
  
equals ADJUSTED GROSS INCOME  
  
minus either:  
    STANDARD DEDUCTION ..... § 63(c)  
    or  
    ITEMIZED DEDUCTIONS ..... Any allowable deduction not listed in § 62  
  
equals TAXABLE INCOME  
  
apply tax rates or tax tables ..... § 1 or § 3  
to determine TAX BEFORE CREDITS  
  
minus TAX CREDITS ..... various Code sections  
  
equals TAX DUE (must also consider Alternative Minimum Tax)