

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

minus QUALIFIED BUSINESS INCOME DEDUCTION (§ 199A)

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)