



*Shippen, Pope & Associates, PLLC*  
CERTIFIED PUBLIC ACCOUNTANTS

September 2018

Dear Client,

There are new **proposed** regulations released by the IRS for the 2018 tax law change. These proposed regulations may be punitive to your income tax return. As a courtesy we would like to provide a summary of these changes so you are aware of the impact, if any, on your upcoming tax return.

On Schedule A Itemized Deductions, the State and Local taxes you paid will be limited to \$10,000. This is not proposed, this is definite.

If you make charitable contributions that qualify for Arizona tax credit, those contributions will likely not be deductible as charitable contributions on the federal return. The claiming of the credit may **INCREASE** your federal tax. Evaluation of this regulation is still ongoing and is subject to change. The effective date of this change is August 28, 2018. IRS has requested comments on this **proposed** regulation so we are uncertain what the final outcome will be. We recommend that you hold off on making any tax credit contributions after the August 28, 2018 deadline until the final regulations are released and your tax situation is evaluated. You will have until the filing deadline to contribute to the credit if you so choose at that time. Please see the attached contribution letter for a more detailed list of these credits.

This rule includes all credits – school tuition organizations, public school extracurricular activity funds, foster care credit, charitable credits.

Should you have any questions or concerns, please feel free to call our office and we will happily walk you through how this will possibly affect your tax return.

Sincerely,

Rex A. Pope, CPA  
Shippen, Pope & Associates, PLLC  
Certified Public Accountants

*“Planning Makes a Difference”*

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