

TOPIC	CODE SECTION	PRIOR LAW	NEW LAW
199A Deduction	199A	Deduction did not exist	Sole proprietorships, partnerships, and S corporations may be eligible for some or all of the new 20 percent deduction of qualified business income.
Alimony Payments	215	Alimony payments were deductible for the payor spouse and taxable income to the payee spouse	For divorce agreements executed or modified after December 31, 2018, alimony is tax-free to the recipient and no longer deductible for the payor.
Charity Golf Tournaments	274(n)(2)(c); 274(l)(1)(B)	Expenses related to charity golf tournaments were 100 percent tax-deductible if you discussed business before, during, or after the event.	Expenses are now deductible only as charitable deductions, providing a far smaller deduction than before.
Client and Prospect Business Meals	274(a); 274(n)(1)	Business meals (with clients and prospects) directly related to a trade or business were 50 percent deductible.	Lawmakers changed the Code language that allowed meals to be deducted, but they seemingly did so without this intent. The IRS has issued guidance that business meals with clients and prospects continue to be deductible.
Employee Meals	274(n)	Employee meals were 100 percent deductible.	Employee meals are now 50 percent deductible.
Entertainment	274(a); 274(e)	Entertainment directly related to a trade or business was 50 percent deductible.	Entertainment is no longer deductible.
Gambling Losses	165(d)	Gambling losses to the extent of gambling income were deductible as itemized deductions. Professional gamblers could deduct their business expenses and, if those expenses produced a loss, they could claim the loss.	The business expenses of professional gamblers are no longer deductible, and there is no longer any allowance for business expenses creating a tax loss.

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Hobby Deduction Vehicle Trade-In	183	Hobby expenses could be deducted as miscellaneous itemized deductions subject to the 2 percent-of-AGI threshold.	Hobby expenses that don't qualify as cost of sales are not deductible.
Home Mortgage Interest	163(h)	You could deduct interest payments on up to \$1 million in acquisition indebtedness and up to \$100,000 of home equity interest.	For tax years 2018 through 2025: 1. You can deduct interest payments on up to \$750,000 in acquisition indebtedness for homes purchased after December 14, 2017. 2. You can deduct up to \$100,000 of home equity interest, but only if the funds are used to buy, build, or substantially improve the home.
Itemized Miscellaneous Deductions	67(g)	Itemized miscellaneous deductions that exceeded 2 percent of AGI were deductible.	Itemized miscellaneous deductions are no longer deductible.
IRA Recharacterizations	408A(d)	You were able to recharacterize a Roth IRA conversion back to a traditional IRA status if done by October 15 of the year in which the tax return was filed.	You may no longer recharacterize a Roth IRA conversion back to traditional IRA status.
Qualified Improvement Property	168(e)	Improvements were deducted over 15 years and eligible for bonus depreciation.	In what is an "oops," lawmakers failed in making bonus depreciation available for qualified improvement property but did enable Section 179 expensing for such property.
Section 179 Expensing	179	The maximum deduction for qualifying property was \$510,000. Dollar-for-dollar phaseout of the deduction began at \$2.03 million.	The maximum deduction for qualifying property is \$1 million. The dollar-for-dollar phaseout begins at \$2.5 million. Qualifying Section 179 property includes new and used assets, as in prior years.
State Tax Deduction	164(b)(6)	State tax deductions on Schedule A were unlimited.	State tax deductions on Schedule A are capped at \$10,000.
Transportation Fringe Benefits	274(a)(4)	The benefit was tax-free to employees and tax-deductible to employers.	The benefit is tax-free to employees, but employers no longer receive a deduction.
Vehicle Deductions	280F(a)(1)	Luxury auto limits began at \$11,160. (A \$40,000 vehicle would take 19 years to depreciate.)	Luxury auto limits don't begin until \$50,000. (A \$40,000 vehicle takes only six years to depreciate.)
	168(k)(6)(A)(i)	Bonus depreciation was 50 percent.	Bonus depreciation is 100 percent.
Vehicle Trade-In	1031(a)	1031 exchanges were allowed for personal property, such as business vehicles, airplanes, equipment, and collectibles as well as real property.	1031 exchanges are allowed only for real property.