TAX AFTER 2017: REQUIEM FOR ABILITY TO PAY

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51 LOYOLA L.A. L. REV. 61 (2018)
available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3156578

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1

"Fiscal policy is an exercise in applied economics, but also in applied moral philosophy. We define ourselves as a country through the covenantal bonds we construct for our society by means of the fiscal policies we adopt."

Edward D. Kleinbard, *What's a Government Good For? Fiscal Policy in an Age of Inequality*, USC LEGAL STUDIES RESEARCH PAPERS SERIES NO. 18-2 (Feb. 5, 2018), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3118406.

2



“How a country taxes its citizens is a direct declaration of a country’s values.”

TCJA: FOUR FUNDAMENTAL POLICY CHANGES

- Eradicating Support Obligations From the Determination of the Normative Tax Base
- Unmooring the Zero Bracket From the Poverty Level
- Applies Different Tax Rates to Income from Labor, Depending on the Form in Which the Labor is Performed.
- Permanently Exempting Some Foreign Source Income, For Some – Advantage, Capital Import Neutrality

Support Obligations

- The TCJA eliminates consideration of a taxpayer's obligations of support from determination of the tax base, except to the extent of determining filing status in some cases (Head of Household and Qualifying Widow(er)).
  - TCJA eliminates the personal and dependency exemptions (through 2025) and the deduction for alimony (in 2019).

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Continued Impacts of the Tax Cuts and Jobs Act (TCJA)

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