

TAX AFTER 2017: REQUIEM FOR ABILITY TO PAY

Alice G. Abreu

Professor of Law

Temple University Beasley School of Law

Philadelphia, PA 19122

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“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.

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

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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**

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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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