

Jane and William Walsh Portland, Maine

Jane, 55 – teacher, salary = \$60,000

William, 55 – accountant, salary = \$65,000

Additional income

\$9,000 from interest and dividends

\$5,000 from capital gains

2017 Adjusted Gross Income (AGI) = \$139,000

2 dependent children (in college)

Personal exemptions = \$16,200

Jane and William Walsh Portland, Maine

Itemized deductions

State income tax	\$7,700
Property tax	\$5,000
Charitable	\$3,500
Mortgage interest	\$9,925
Total	\$26,125

Regular tax	\$14,346	Federal marginal tax rate = 25%
AMT	\$0	tax-price = 0.75

Jane and William Walsh Portland, Maine

Estimated 2018 tax (based on 2017 income) = \$15,265

\$ change in tax = +\$919

% change in tax = +6.4%

2018 tax-price = 1.0

Barbara and Jason Jones New Haven, Connecticut

Jason, 45 – lawyer, salary = \$130,000

Barbara, 44 – lawyer, salary = \$140,000

Additional income

\$35,000 from interest and dividends

\$45,000 from capital gains

2017 Adjusted Gross Income (AGI) = \$350,000

2 school age children

Barbara and Jason Jones New Haven, Connecticut

Exemptions \$11,340

Itemized deductions

State income tax \$53,000

Property tax \$18,000

Charitable \$7,000

Mortgage interest \$14,000

“Limited deduction” -\$1,086

Total \$90,914

Regular tax \$49,913 Federal marginal tax rate = 28%

AMT \$20,218 **tax-price = 1.0**

Barbara and Jason Jones New Haven, Connecticut

Estimated 2018 tax (based on 2017 income) = \$58,307

No longer subject to the AMT

\$ change in tax = -\$11,824

% change in tax = -16.9%

2018 tax-price = 1.0

Average Tax-Price & Percentage Change due to TCJA New England States

State	Percent Itemizers	Average Tax-Price		Average % Incr. in Tax-Price*
		Wt: Tax returns	Wt: AGI	
Vermont	27.3%	0.952	0.894	5% - 12%
Maine	27.7%	0.954	0.899	6% - 11%
New Hampshire	31.3%	0.942	0.874	6% - 14%
Rhode Island	32.9%	0.939	0.868	6% - 15%
Massachusetts	36.9%	0.936	0.847	7% - 18%
Connecticut	41.4%	0.927	0.828	8% - 21%

* Calculated as: $(1.0 - \text{average tax-price}) / \text{average tax-price}$

Average Tax Changes in 2018 due to TCJA, Individual Income Tax Provisions

State	Personal	% of New	Average Change in Federal Income Tax	
	Income, 2017 (in \$billions)	England Total	Dollar Change	% Change
Connecticut	\$251.6	27.1%	-\$1,870	-5.9%
Maine	\$60.2	6.5%	-\$1,170	-7.8%
Massachusetts	\$452.0	48.7%	-\$1,790	-6.7%
New Hampshire	\$77.3	8.3%	-\$1,710	-8.0%
Rhode Island	\$54.6	5.9%	-\$1,200	-6.9%
Vermont	\$31.9	3.4%	-\$1,180	-7.3%

Source: Personal income data from the U.S. Bureau of Economic Analysis. Tax change simulations represent of individual income tax provisions of the TCJA conducted by the Urban-Brookings Tax Policy Center, 2018.