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*Special Interest  
Articles: New  
Tax Laws*

Surcharge: SS is  
mixed from last  
year. Nickel is  
way up.

## **HAPPY NEW YEAR 2018 New Tax Laws**

First, I want to thank all of Trumbo's customers for working with us in 2017. We realize without your patronage Trumbo would not exist.

Next, on December 22, 2017 the Tax Cuts and Jobs Act (TCJA) was signed into law. I would like to highlight a few important changes.

### **A New flat 21% tax rate for corporations.**

Under the old law, C Corporations paid graduated federal income tax rates of 15%, 25%, 34% and 35%. Personal service corporations (PSCs) paid a flat 35% rate. For tax years beginning after Dec. 31, 2017, the TCJA establishes a flat 21% corporate rate.

### **B Liberalized asset expensing and depreciation provisions.**

More generous Section 179 deductions rules: Under TCJA for qualifying property placed in service in tax years beginning after Dec. 31, 2017, the maximum Section 179 deduction is increased to \$1 Million ( up from \$ 510.00 for tax years beginning in 2017)

### **Much more generous first-year bonus depreciation rules.**

Under the TCJA, for qualified property placed in service between Sept 28, 2017 and Dec. 31, 2022 the first year bonus depreciation percentage is increased to 100% ( up from 50%). The 100% deduction is allowed for both new and used qualifying property. In later years, the first year bonus depreciation deduction is scheduled to be reduced as follows.

1. 80% for property placed in service in Calendar year 2023.
2. 60% for property placed in service in calendar year 2024.
3. 40% for property placed in service in calendar year 2025.
4. 20% for property placed in service in calendar year 2026.

There are some limits on Interest deductions, stricter rules for deducting losses, and reduced or eliminated deductions for business entertainment included in the new law.

**Each January I compare the beginning of the previous year surcharge with the current year surcharge and show the % change. Remember, this chart is for surcharges only and does not include the base price on stainless steels. Prices are per pound.**

Alloy	January 2017	January 2018	Increase in % Rounded
2205	0.7185	0.7020	2.26%↓
304 CLAD	0.3464	0.3626	4.68%↑
304/304L	0.6285	0.5511	12.32%↓
304H	0.6285	0.5511	12.32%↓
304LN	0.6285	0.5511	12.32%↓
304N	0.6285	0.5511	12.32%↓
309/309S/309H	0.8358	0.7336	12.23%↓
310/310S	1.1240	1.008	10.32%↓
316/316L	0.7782	0.7460	4.14%↓
316LN	0.7570	0.7460	1.45%↓
316Ti	0.7828	0.7686	1.81%↓
317/317L	0.8662	0.8705	0.50%↑
AL-6XN Plus	1.0760	1.5604	45.02%↑
alloy 20	1.3031	1.7049	30.83%↑
AL-200 TM	2.6748	3.2381	21.06%↑
Al-400 TM	1.8828	2.5286	34.30%↑
Al-600 Tm	2.1406	2.6449	23.56%↑
Altemp 625 In	3.8960	4.5371	16.46%↑
Alloy 276	3.2250	4.00	24.03%↑

