



Tax proposals of Republican and Democratic presidential candidates

Last updated October 18, 2016: Subject to
Frequent Future Revisions



Overview and Caveats

This document provides a high-level summary of Secretary Clinton's and Mr. Trump's tax proposals as of October 18, 2016.

Any changes the candidates may make to their proposals after October 18, 2016, will not be reflected in this document. As a result, **information in this document might not be current.**

All information in this document is based on the descriptions of each candidate's tax proposals contained on that candidate's official campaign website as of October 18, 2016. This document does not include other proposals or additional details that candidates may have mentioned during the course of the campaign.

Individual tax proposals

Secretary Clinton

Taxation of individuals

- 4% surcharge on incomes > \$5M
- 30% minimum tax on “millionaires”
- Caregiving tax credits
- For high income individuals, “options” to tax some income above current Social Security cap, as well as some income not currently taken into account by Social Security system

Taxation of investment income

- Raise capital gains rates for short-term trading
- Modify net investment income tax rules to prevent “gaming” by high-income taxpayers

Other

- Limit large retirement accounts
- Limit tax benefits of like-kind exchanges
- Close “Bermuda reinsurance loophole”

Mr. Trump

Taxation of individuals

- Individual ordinary income rates: 12%-25%-33%
- Cap itemized deductions at \$200K for joint filers (\$100K for single filers)
- Increase standard deduction to \$15K/\$30K
- Eliminate personal exemptions
- Provide benefits for childcare and dependent eldercare, including exemptions, rebates, and Dependent Care Savings Accounts (with some limits and caps)
- Repeal AMT

Taxation of investment income

- Repeal net investment income tax (but retain 20% maximum capital gain rate)

Proposals Relating to Estates and Bequests

Secretary Clinton

- Return estate tax to 2009 parameters and lower exemption, while raising rates as values rise, to up to 65% for estates valued at over \$1 billion per couple
- Close “valuation loopholes”
- Close the “step up in basis loophole” and treat bequests as realization events for high-income families, with exemptions for small and closely held businesses, farms, homes, personal property, and heirlooms

Mr. Trump

- Repeal estate tax, but “capital gains held until death and valued over \$10 million will be subject to tax to exempt small businesses and family farms”
- Disallow contributions of appreciated assets into private charity established by the decedent or the decedent’s relatives

General Business Proposals

Secretary Clinton

- New “Manufacturing Renaissance Tax Credit” for hard-hit communities
- Expand low-income housing tax credit program
- Expand and make permanent new markets tax credit
- New apprenticeship tax credit
- Small business—simplify tax filings and increase expensing
- “Tax relief” for domestic research and innovation, particularly at small businesses and startups
- Expand health care tax credit for certain small employers
- “Risk fee” on large financial institutions
- Transaction tax on high frequency trading
- Close “loopholes” for oil and gas companies
- Change “carried interest” rules
- Change rules for complex derivative trading
- Limit like-kind exchanges

Mr. Trump

- 15% business rate for “all businesses, both small and large, that want to retain the profits within the business”
- Allow firms engaged in manufacturing in U.S. to elect to expense capital investment and lose the deductibility of corporate interest expense
- Increase cap on business tax credit for on-site childcare and allow businesses that pay a portion of employee childcare expenses to exclude those contributions from income
- Eliminate most “tax expenditures” (but not R&D credit)
- Repeal corporate AMT
- Tax “carried interest” as ordinary income

International Business Proposals

Secretary Clinton

- Strengthen anti-inversion rules through raising threshold for size of foreign merger partner to at least 50% (retroactive to May 2014)
- Exit tax on unrepatriated profits
- Clawback of research tax benefits for companies that move jobs offshore
- Strengthen earnings stripping rules

Mr. Trump

- Deemed repatriation at one-time 10% rate

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