

2020 Tax Proposal Comparison



REPUBLICAN POLICY

DEMOCRATIC POLICY

PERSONAL TAXES

Make 2017 TCJA Provisions permanent. Highest bracket 37%

Pre-TCJA marginal tax rate of 39.6% and additional payroll tax of 12.4% for income over \$400K

TAX CREDITS

The \$2,000 child tax credit enacted by the TCJA could be extended.

Child Care Credit up to \$8K for one child and \$16K for two or more children for taxpayers with income below \$125K

DEDUCTIONS

Extend TCJA Standard Deduction

A cap on itemized deductions of 28%. Possible phasing out of the 20% QBID Deduction on income over \$400K

CAPITAL GAINS

Indexed for inflation. Highest rate reduced from 20% to 15%

Capital gains rate eliminated for income over \$1 million.

ESTATE & GIFT

Extending the TCJA exemption of \$11.5 million

Reverting the exemption to as low as \$3.5 million and possibly eliminating stepped-up basis on appreciated property.

CORPORATE

Reducing the highest rate to 20%

Increasing the highest rate to 28%.

EDUCATION

Tax breaks to expand school choice and provide income tax credits for donations to scholarship granting organizations.

Forgiveness of student loan debt excluded from income.

OPPORTUNITY ZONES

Defer Capital Gains from sale of property when proceeds are re-invested in Opportunity Zone Funds that support struggling communities.

Incentives for Opportunity Zone Funds when partnering with non-profit community-oriented organizations.