

Harris and Trump Tax Proposals

HARRIS

TRUMP

Individual Income Taxes

- Increase top marginal rate to 39.6% (from 37%) for income >\$400K (\$450K for joint filers)
- Increase Net Investment Income Tax (NIIT) from 3.8% to 5% and include nonpassive income for income >\$400K
- Increase top capital gains tax rate from 20% to 28% for income >\$1M
- Exempt from taxation: tips

- Maintain TCJA tax brackets (set to expire 2026)
- Exempt from taxation: tips, SS, OT pay

Corporate Taxes

- Increase corporate income tax rate from 21% to 28%
- Increase excise tax on stock buybacks from 1% to 4%
- Sunset many TCJA provisions such as the QBI deduction

- Cut corporate income tax rate from 21% to 20% and further cut to 15% for "American Made" manufacturers

Tax Credits, Exemptions, and Deductions

- Expand EITC to include filers w/o dependents
- Increase Child Tax Credit (CTC) up to \$6K per child
- First time homebuyer credit - \$25K
- Make permanent ARPA premium tax credit
- Increase deduction for startup costs from \$5K to \$50K

- Uncap State and Local Tax (SALT) deduction for itemizers
- Increase CTC up to \$5K per child

Other Taxes

- Minimum 20% income tax for those with wealth >\$100M, including unrealized capital gains income
- Increase Medicare tax rate from 1.45% to 5% for income >\$400K
- Tax unrealized capital gains above \$5M exemption at death

- Increase excise tax on large private university endowments
- Assess tariffs on foreign goods between 10% and 20%, 60% on Chinese goods
- Maintain TCJA estate tax exemption thresholds

What They Have In Common

- Tax policy is complicated and requires congress help to pass. Neither Harris' nor Trump's proposals are likely to be implemented in full.
- Proposed fiscal policy from both candidates would require significant deficit spending
- Individual tax brackets are at historical lows and unlikely to decrease in the near future