TAX FOUNDATION

How do the 2016 Presidential Tax Plans Compare So Far?

	 Clinton	 Cruz	 Rubio	 Sanders	 Trump
10-Year GDP Growth	-1.0%	13.9%	15.0%	-9.5%	11.5%
10-Year Capital Investment Growth	-2.8%	43.9%	48.9%	-18.6%	29%
10-Year Wage Rate Growth	-0.8%	12.2%	12.5%	-4.3%	6.5%
Added Jobs (millions)	-0.3	4.9	2.7	-5.9	5.3
10-Year Static Revenue Estimate (billions)	$498	-$3,666	-$6,055	$13,574	-$11,980
10-Year Dynamic Revenue Estimate (billions)	$191	-$768	-$2,401	$9,827	-$10,135

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2016 Presidential Tax Plans: Individual Tax Provisions

Clinton

- Creates a 4 percent "surcharge" on high-income taxpayers, which effectively add an additional marginal tax rate of 43.6 percent for taxable income over $5 million and a 24 percent top marginal tax rate for qualified dividend and long-term capital gain income.
- Enacts the "Buffett Rule," which would establish a 30 percent minimum tax on taxpayers with adjusted gross income (AGI) over $1 million. The minimum tax would phase-in between $1 million and $2 million of AGI.
- Caps all itemized deductions at a tax value of 28 percent.
- Adjusts the schedule for long-term capital gains by raising rates on medium-term capital gains to between 27.8 percent and 47.4 percent.
- Limits the total value of tax-deferred and tax-free retirement accounts.
- Taxes carried interest at ordinary income tax rates instead of capital gains and dividends tax rates.

Cruz

- Consolidates 7 brackets into one at 10 percent, which applies to all personal income.
- Increases the standard deduction to $10,000 per filer
- Eliminates all credits except for the child tax credit and the Earned Income Tax Credit.
- Expands the Earned Income Tax Credit by 20%.
- Creates tax-free savings accounts for up to $25,000 of savings a year.
- Eliminates all itemized deductions except for the charitable deduction and the home mortgage interest deduction.
- Eliminates the payroll tax
- Eliminates the Alternative Minimum Tax, the 3.8 percent Net Investment Income Tax, the 0.9 percent Medicare Surtax, and the Estate Tax.

Rubio

- Consolidates 7 brackets into two: 15 percent and 35 percent.
- Eliminates all itemized deductions except for the charitable deduction and the home mortgage interest deduction.
- Creates new $2,500 child credit.
- Eliminates the Alternative Minimum Tax, 3.8 percent Net Investment Income Tax, and the Estate Tax.
- Replaces standard deduction and personal exemption with a refundable personal credit of $2,000.

Sanders

- Adds four new income tax brackets for high-income households, with rates of 37 percent, 43 percent, 48 percent, and 52 percent.
- Taxes capital gains and dividends at ordinary income rates for households with income over $250,000.
- Creates a new 2.2 percent "income-based [health care] premium paid by households."
- Eliminates the Alternative Minimum Tax, the personal exemption phase-out (PEP), and the Pease limitation on itemized deductions.
- Limits the value of additional itemized deductions to 28 percent for households with income over $250,000.
- Creates a new 6.2 percent employer-side payroll tax on all wages and salaries.
- Creates a 0.2 percent employer-side payroll tax and 0.2 percent employee-side payroll tax, to fund a new family and medical leave trust fund.
- Applies the Social Security payroll tax to earnings over $250,000, a threshold which is not indexed for wage inflation.
- Decreases the estate tax exclusion from $5.4 million to $3.5 million and raises the estate tax rate from 40% to a set of rates ranging between 45% and 65%.

Trump

- Consolidates 7 brackets into three: 10 percent, 20 percent, and 25 percent.
- Increases the standard deduction to $25,000 for single filers and $50,000 for married filers.
- Steepens the curve of the personal exemption phase-out and the Pease limitation on itemized deductions.
- Eliminates the Alternative Minimum Tax, the 3.8 percent Net Investment Income Tax, and the Estate Tax.
- Taxes carried interest as ordinary income.

2016 Presidential Tax Plans: Business Tax Provisions


Clinton

- Eliminates the deductibility of reinsurance premiums paid by corporations to foreign subsidiaries and provides an exclusion from income for reinsurance recovered for any arrangement where the deduction was disallowed.
- Establishes business tax credits for profit-sharing and apprenticeships.
- Enacts a tax on high-frequency trading, at an unspecified rate.


Cruz

- Eliminates the corporate income tax.
- Creates new “business transfer tax” or value-added tax of 16 percent, levied on all business profits, rents, royalties, and payroll. This tax also applies to wages paid by nonprofits and governments.
- Enacts a one-time deemed repatriation tax of 10 percent on all foreign profits currently deferred.


Rubio

- Reduces the corporate income tax rate to 25 percent.
- Caps the tax rate on pass-through business income (sole proprietorships, S corporations, LLCs, and partnerships) at 25 percent.
- Allows full expensing of all capital expenses.
- Eliminates most business tax credits and deductions.
- Enacts a territorial tax system that allows a 100 percent exemption on dividends received from controlled foreign subsidiaries.
- Enacts a one-time deemed repatriation tax of 6 percent on all foreign profits currently deferred.
- Eliminates the deductibility of interest paid for businesses but exempts interest income from taxation.


Sanders

- Eliminates several business tax provisions involving oil, gas, and coal companies.
- Ends the deferral of income from controlled foreign subsidiaries.
- Changes several international tax rules to curb corporate inversions and limit use of the foreign tax credit.
- Creates a financial transactions tax on the value of stocks, bonds, derivatives, and other financial assets traded by U.S. persons. The rate of the tax ranges from 0.005 percent to 0.5 percent, depending on the type of asset.
- Limits like-kind exchanges of property to $1 million per taxpayer per year and prohibits the use of like-kind exchanges for art and collectibles.


Trump

- Reduces the corporate income tax rate to 15 percent
- Caps the tax rate on pass-through business income (sole proprietorships, S corporations, LLCs, and partnerships) at 15 percent.
- Ends tax deferral on overseas corporate income.
- Enacts a one-time deemed repatriation tax of 10 percent on all foreign profits currently deferred.
- Eliminates all other corporate tax expenditures.
- Eliminates corporate Alternative Minimum Tax.
- Caps the deductibility of interest expenses.