

# Comparing 2024 Presidential Candidates' Tax Proposals



Be ready for Election Day and beyond. Learn about how the presidential candidate tax policies compare and how the election could affect your bottom line. Get up to speed on tax proposals across a range of areas – individual, business, and energy and real estate taxes – from Republican nominee Former President Donald Trump and Democratic nominee Vice President Kamala Harris.

Individual tax proposals (including estate and gift tax)	Current law	Trump <sup>1</sup>	Harris <sup>2</sup>
Marginal tax rates	The top marginal tax rate is 37% for income over \$609,350 for individuals and \$731,200 for married individuals filing jointly.  Rates are scheduled to increase to pre- <i>Tax Cuts and Jobs Act</i> (TCJA) amounts after 2025.	Make the lower TCJA top marginal tax rate permanent.	Increase the top marginal rate for individuals making more than \$400,000 per year and couples making more than \$450,000 per year to 39.6% and index the thresholds for inflation.  Impose a 25% minimum tax on those with wealth of more than \$100 million.
Deductions and exemptions	The basic standard deduction for married individuals filing jointly is \$29,200 (\$14,600 for single taxpayers or for married taxpayers filing separately). After 2025, the basic standard deduction is scheduled to revert to pre-TCJA amounts.  The TCJA suspended the personal exemption and most individual deductions through 2025.	The GOP platform states: "Republicans will make permanent the provisions of the <i>Trump Tax Cuts and Jobs Act</i> that doubled the standard deduction, expanded the child tax credit, and spurred economic growth for all Americans."  Allow a deduction for interest on loans for cars built in the U.S. <sup>3</sup>  Allow a deduction for the cost of home generators in states hit by natural disasters. <sup>2</sup>	Make TCJA provisions permanent only to the extent that individuals making less than \$400,000 do not have a tax increase, though no specific proposal has been made for how to address expiring provisions.
Individual alternative minimum tax (AMT)	The TCJA increased the exemption amounts and the exemption amount phase-out thresholds for the individual AMT. For 2024, the exemption amount is \$85,700 (\$133,300 for married individuals filing jointly) and the phase-out threshold is \$609,350 (\$1218,700 for married individuals filing jointly).	Make the TCJA increased exemption amount and phase-out threshold permanent.	Make TCJA provisions permanent only to the extent that individuals making less than \$400,000 do not have a tax increase, though no specific proposal has been made for how to address expiring provisions.
Capital gains and qualified dividends tax, net investment income tax, Medicare tax	The top tax rate for capital gains and qualified dividends is 20% for income over \$518,900 for individuals and \$583,750 for married individuals filing jointly.  In addition, there is a 3.8% net investment income tax (NIIT).  The Medicare tax on earnings is 2.9%. Self-employed individuals and individuals with modified adjusted gross incomes over \$200,000 (\$250,000 for married individuals filing jointly) and \$15,200 for estates and trusts) are subject to an additional Medicare tax of 0.9%, for a total Medicare tax of 3.8%.	Make the lower TCJA capital gains and qualified dividend tax rate permanent.	Increase the tax rate on long-term capital gains for income over \$1 million to 28%. It is unclear if this proposal applies to qualified dividends. <sup>9</sup>  Expand the NIIT base and increase NIIT and the additional Medicare tax to 5%.
Credits	The maximum child tax credit is \$2,000 and only part of it is refundable. This amount is scheduled to revert to the pre-TCJA amount of \$1,000 after 2025.  The earned income tax credit (EITC) is fully refundable, and eligibility for and the amount of the credit are based on factors including the taxpayer's income, filing status, age, and the number of qualifying children. Childless workers who are at least 25 years old and less than 65 years old might be eligible for a less generous EITC than taxpayers with children.  The premium tax credit (PTC) helps to subsidize health insurance purchased from an exchange in the individual healthcare marketplace under the <i>Affordable Care Act</i> . Recent law changes expanded eligibility for the PTC and made the PTC more generous through 2025.	Increase the child tax credit to \$5,000 per child with no income limits. <sup>4</sup>	Increase child tax credit to a maximum of \$3,600 per qualifying child (up to \$6,000 for their first year of life). Allow the credit to be received in advance monthly payments, and make the credit fully refundable regardless of earned income.  Expand the EITC for childless low- and middle-income workers by increasing the amount of the credit, lowering the age for eligibility, and removing the maximum age for eligibility.  Make the expiring PTC changes permanent.
529 accounts	Section 529 accounts can be established to pay for qualified expenses for enrollment or attendance in an eligible postsecondary institution, an apprenticeship program in a public, private, or religious elementary or secondary school.	Expand qualifying tuition programs to cover home schooling.	No proposal.
Estate and gift tax exemption	For 2024, the estate and gift tax exemption is \$13.61 million. This amount is scheduled to revert to the pre-TCJA amount of \$5 million and will be indexed for inflation after 2025.  Transfers of appreciated property at death get a stepped-up basis.	Make permanent the TCJA increase in the estate and gift tax exemption.	Eliminate stepped-up basis on transfers of appreciated property at death.
Exclusions from tax	Up to 50% of Social Security benefits is taxable if combined income (half of the Social Security benefits received in the tax year plus modified adjusted gross income for the tax year) is between \$25,000 and \$34,000 (\$32,000 and \$44,000 for married individuals filing jointly) and up to 85% of Social Security benefits is taxable if combined income is over the maximum threshold.  Compensation for services, including for tips and overtime pay, is subject to income and payroll taxes.	Eliminate income tax on Social Security benefits. <sup>3</sup>  Exclude tips from both income tax and payroll tax. <sup>5</sup>  Exclude overtime pay from tax, though it is unclear whether this applies solely to income tax or to both income and payroll tax. <sup>10</sup>  Eliminate double-taxation for Americans overseas. <sup>11</sup>  Exclude income of firefighters, police officers, military personnel, and veterans from tax. <sup>14</sup>	Exclude service and hospitality worker tips from income tax. The candidate is considering limiting eligibility to lower and middle income workers. <sup>5</sup>

Business tax proposals	Current law	Trump	Harris
Corporate tax rates	The corporate tax rate is 21%, the corporate alternative minimum tax rate is 15%, and the stock buyback excise tax is 1%.	Lower the corporate tax rate from 21% to 20% (possibly 15%).	Increase the corporate tax rate from 21% to 28%.  Increase the corporate alternative minimum tax rate from 15% to 21%.  Increase the stock buyback excise tax from 1% to 4%.
Section 461(i) business loss limitation for noncorporate taxpayers	Section 461(i) limits the deduction for business losses for noncorporate taxpayers. The provision was scheduled to expire after 2025, but it was extended by the <i>American Rescue Plan Act of 2021</i> and the <i>IRA</i> and now expires after 2028. <sup>8</sup>	The GOP platform states: "Republicans will make permanent the provisions of the <i>Trump Tax Cuts and Jobs Act</i> that doubled the standard deduction, expanded the child tax credit, and spurred economic growth for all Americans." It is unclear what that means for items that increase tax like the Section 461(i) business loss limitation for noncorporate taxpayers.	Make permanent the limit on the deduction for business losses for noncorporate taxpayers.
Section 199A pass-through business deduction	Under Section 199A, individuals, estates, and trusts can deduct 20% of qualified business income from pass-through businesses like partnerships and S corporations, subject to certain limits. The maximum deduction cannot exceed 20% of an owner's taxable income, less capital gains and dividends. The limits phase in for income between \$393,900 and \$483,900 for joint filers, and between \$191,950 and \$241,950 for other filers. The provision is scheduled to expire after 2025. <sup>6</sup>	Make the TCJA Section 199A pass-through business deduction permanent.	Make TCJA provisions permanent only to the extent that individuals earning less than \$400,000 do not have a tax increase, though no specific proposal has been made for Section 199A.
Carried interests	Long-term capital gains received by partners having a carried (profits) interest in a partnership with a holding period of more than three years are taxed at 20% (plus a 3.8% net investment income tax) rather than higher ordinary tax rates. Long-term capital gains held for three years or less are taxed as short-term capital gains at ordinary income tax rates.	No proposal.	Tax as ordinary income a partner's share of income on a carried interest regardless of the character of the income at the partnership level if the partner's taxable income is more than \$400,000.
International tax	Permanent international tax changes were enacted as part of the TCJA, including a tax on global intangible low-taxed income (GILTI) at a maximum 10.5% rate (13.125% beginning in 2026), a deduction for U.S. companies for foreign-derived intangible income (FDII) resulting in a 13.125% effective tax rate on such income (16.406% beginning in 2026), and a 10% base erosion and anti-abuse tax (BEAT) (12.5% beginning in 2026).	No proposal.	Increase the GILTI tax rate to 21%.  Repeal the FDII deduction.  Repeal BEAT and replace it with an undertaxed profits rule (UTPR) consistent with the OECD/G20 global minimum tax model rules.
Small business	Generally, startup expenditures are required to be capitalized and amortized over 180 months. However, an active trade or business can elect to deduct up to \$5,000 of startup expenditures.	No proposal.	Increase to \$50,000 the amount an active trade or business can elect to deduct.  Enact a standard deduction for small businesses to simplify filing a tax return.

Energy and real estate tax proposals	Current law	Trump	Harris
Energy tax incentives	Several credits, deductions, and other special provisions enacted to encourage oil, gas, and coal production.  Numerous clean energy tax incentives, including incentives for electric vehicles and energy efficient commercial and residential buildings, were enacted by the <i>IRA</i> .	Repeal energy tax incentives enacted under the <i>IRA</i> . <sup>7</sup>	Eliminate special treatment for oil and gas company investments and eliminate preferences for fossil fuels.
Homeownership	Current law includes incentives for homebuyers and homeowners, like the mortgage interest deduction.  Low-income housing tax credits incentivize and subsidize the construction and rehabilitation of affordable rental housing for low-income tenants.	Provide tax incentives to promote homeownership and support for first-time homebuyers.	Provide \$25,000 down payment assistance to first-time buyers from families that never owned a home.  Provide a \$10,000 mortgage relief tax credit for first-time homebuyers.  Enact a neighborhood homes credit to encourage building and rehabilitating homes in low- and middle-income communities and disaster areas.  Provide a tax incentive for builders of starter homes sold to first-time homebuyers.  Expand and enhance the low-income housing tax credit.  Disallow certain tax benefits to landlords that increase rent on existing units by more than 5%. <sup>3</sup>
Like-kind exchanges of real estate	If certain requirements are met, owners of appreciated real property use in a trade or business or held for investment can defer gain on the exchange of the property for real property of a like-kind until a later recognition event.	No proposal.	Allow like-kind exchange treatment for gain up to \$500,000 (\$1 million for married individuals filing jointly). No deferral would be allowed for gain in excess of \$500,000 (\$1 million for married individuals filing jointly).

View the latest updates on presidential candidate tax proposals and other tax-related election developments or contact us to learn more about how we can help.

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<sup>1</sup> Descriptions of former President Trump's tax proposals are from the 2024 Republican platform ("GOP platform") as well as media coverage of those and other tax proposals as indicated. Former President Trump and the GOP platform generally support making expiring TCJA individual provisions permanent, though it is unclear whether such support applies to all expiring individual provisions or only those that reduce individual tax. <https://www.gop.com/media/2024/09/16/2024-gop-platform>  
<sup>2</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>3</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>4</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>5</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>6</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>7</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>8</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>9</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>10</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>11</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>12</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>13</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>  
<sup>14</sup> <https://www.washingtonpost.com/news/energy-environment/wp/2024/09/16/energy-environment-policy-proposals-from-trump-and-harris/>