

Comparison of House GOP Tax Plan, Trump’s Initial Tax Proposal and Trump’s Revised Tax Proposal

	Ryan Plan	Initial Trump Plan	Revised Trump Plan
10-year Cost (ITEP model)	\$4 trillion (Plan says it's revenue-neutral - with dynamic scoring, relative to current policy baseline, and assuming repeal of all Obamacare-related taxes)	\$12 trillion	\$4.8 trillion
Top 1% share of tax cuts (ITEP model)	60%	37%	44%
PROVISIONS			
Individual Taxes			
<i>Brackets and rates</i>	3 brackets: 12%, 25% & 33%	3 brackets: 10%, 20% & 25%	3 brackets: 12%, 25% & 33%
<i>AMT</i>	Eliminated	Eliminated	Eliminated
<i>Estate Tax</i>	Eliminated	Eliminated	Eliminated, but capital gains above \$5 million/ \$10 million would be taxed at death
<i>Generation-skipping transfer tax</i>	Eliminated	Eliminated	Eliminated
<i>Investment income</i>	50% deduction on capital gains, dividends, and interest income, resulting in rates of 6%, 12.5% & 16.5%	<ul style="list-style-type: none"> • Maximum rate of 20% on capital gains/dividends • Repeal Obamacare surtax • Tax carried interest as normal income 	<ul style="list-style-type: none"> • Retain current structure but repeal Obamacare surtax • Tax carried interest as normal income
<i>Standard deduction/personal exemptions</i>	<ul style="list-style-type: none"> • Increased standard deduction of \$12,000 for singles, \$18,000 for singles with children, & \$24,000 for couples filing jointly (indexed to inflation) • Eliminates personal exemptions 	<ul style="list-style-type: none"> • Increased standard deduction of \$25,000/\$50,000 • Retains existing personal exemptions, but steepens curve on Personal Exemption Phaseout 	<ul style="list-style-type: none"> • Increased standard deduction of \$15,000 for singles and \$30,000 for married couples • Eliminates personal exemptions • Eliminates head-of-household filing status

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<i>Child tax credit</i>	<ul style="list-style-type: none"> • Consolidates CTC and dependent exemptions into \$1,500 (first \$1,000 refundable) • Non-refundable \$500 credit for non-child dependents • Increases phase-out threshold for married couples from \$110K to \$150K • Requires SSN for refundable portion of credit 	No information	No information
<i>Child and dependent care</i>	No information	No information	<ul style="list-style-type: none"> • Would create new above-the-line deduction for child/dependent care expenses, capped at state average for child (based on age) and at \$5,000 for elder care; • Limited to 4 children per taxpayer up to age 12 • Available up to incomes of \$250,000/\$500,000 • Creates new tax-free Dependent Care Savings Accounts, allowing annual contributions up to \$2,000 with 50% match on parental contributions up to \$1,000
<i>EITC</i>	Unspecified reforms	No information	<p>Would provide additional rebate for parents not earning enough to benefit from child and dependent care deduction (incomes up to \$31,200/\$62,400) - equal to 7.65% of the "remaining eligible childcare expenses" with a cap of 1/2 the payroll taxes of the lower-earning parent</p>

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<i>Higher education incentives</i>	Unspecified consolidation of existing programs like AOTC, 529 plans, etc.	No information	No information
<i>Itemized deductions</i>	Eliminate all except Mortgage Interest Deduction and Charitable Contributions deduction (both with unspecified reforms to make them more "effective and efficient")	Increase phase-out of deductions (steepen curve of Pease limitation) on all except Mortgage Interest Deduction and Charitable Contributions	Capped at \$100,000/\$200,000
<i>Retirement savings incentives</i>	Unspecified consolidation/reform	No information	No information
<i>Other</i>	No information	Phase out exemption on life insurance interest for high-income earners	No information
Pass-Through Entities/Sole Proprietorships	<ul style="list-style-type: none"> • Top rate of 25% • Compensation to owner-operators deductible and taxed at individual rates • Full expensing allowed on tangible & intangible assets 	15% rate	Unclear whether pass-throughs would be eligible for 15% rate. Plan says that the rate would be “available to all businesses, both small and large, that want to retain the profits within the business” so may just apply to C corps, but pass-throughs may be able to elect to adopt a status similar to C corps.
Corporate Tax			
<i>Rate</i>	20% rate	15% rate	15% rate
<i>Corporate AMT</i>	Eliminated	Eliminated	Eliminated
<i>Depreciation</i>	Full expensing allowed	No information	Manufacturing firms can elect full expensing in exchange for forgoing interest deduction
<i>Interest deduction</i>	No net interest deduction, but companies can deduct interest expense from interest income	Subject to an unspecified cap	See above

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<i>Net operating loss</i>	<ul style="list-style-type: none"> • Can be carried forward indefinitely, increased for inflation and return on capital • Deductions limited to 90% of net taxable amount per year • No carrybacks allowed 	No information	No information
<i>QPAI</i>	Eliminated	No information	No specifics, but plan would eliminate "most corporate tax expenditures except R&E"
<i>R&E</i>	Retained w/ unspecified reform	No information	Retained
<i>Employer-subsidized child care</i>	No information	No information	<ul style="list-style-type: none"> • Increase cap on business tax credit for on-site childcare from \$150,000 to \$500,000 and reduce recapture period from 10 years to 5 years • Businesses' contributions to employee childcare costs can be deducted from corporate income (employees could not receive tax benefits on the subsidies)
International			
<i>System</i>	Territorial	End deferral	No information
<i>Cross-border transactions</i>	Exports exempt from US tax, imports subject to US tax	No information	No information
<i>Treatment of existing offshore profits</i>	One-time tax of 8.75% on cash and cash equivalents & 3.5% on other earnings payable over 8 years	One-time tax of 10%	One-time tax of 10%