

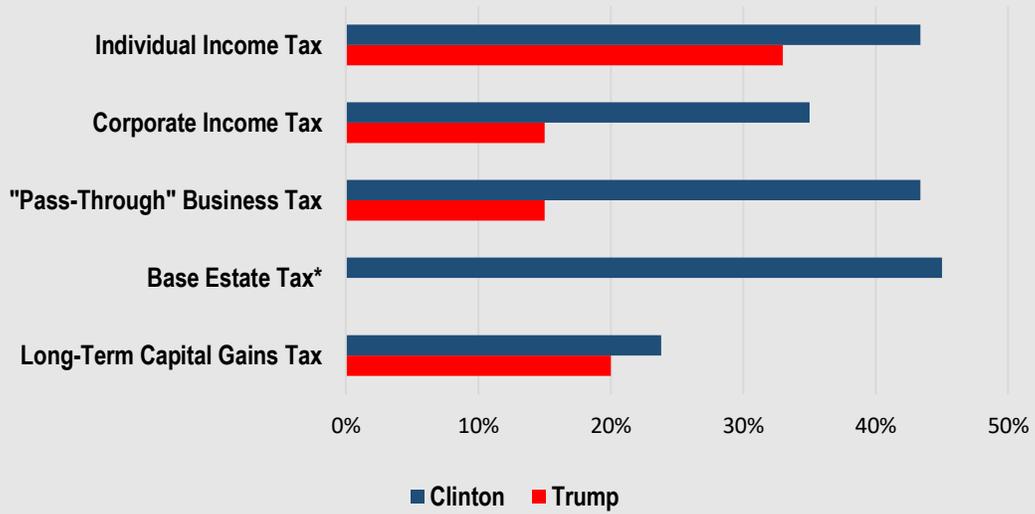
## COMPARING THE CLINTON & TRUMP TAX PLANS

Clinton's tax reform plan would raise an additional \$1.7 trillion over the next 10 years from the wealthy and big corporations, money that would be used to make new investments to create an economy that works for all. Trump's tax plan would lose nearly \$6 trillion; most of the tax breaks he proposes would benefit the wealthy and big corporations.

Unless otherwise [sourced](#) this way, all 10-year revenue estimates are from [ATF Action Fund's](#) estimates for Hillary Clinton's proposals (using Tax Policy Center (TPC), Committee for a Responsible Federal Budget and Clinton campaign estimates) and from TPC's analysis of [Donald Trump's 2015 Tax Plan](#), which has changed since it was first published.

	CLINTON	TRUMP
<b>Taxing the Wealthy</b>	<p><b>Increases taxes paid by the wealthy by \$650 billion, raising the taxes paid by the top 1% by \$78,000 a year.</b></p> <ul style="list-style-type: none"> <li>Limits value of tax deductions (except charitable) to 28% for those in higher tax brackets [<b>\$406 billion</b>]</li> <li>Adds 4% surcharge on incomes over \$5 million [<b>\$126b</b>]</li> <li>Sets a 30% minimum tax rate for taxpayers with income over \$1 million (i.e., the Buffett Rule) to ensure that the wealthy pay a fairer share of taxes [<b>\$119 billion</b>]</li> </ul>	<p><b>Cuts individual tax rates losing \$1.4 trillion, with a significant amount benefitting the wealthy.</b></p> <ul style="list-style-type: none"> <li>Cuts top tax rate from nearly 40% to 33%, giving a tax break of <b>\$88,000 a year</b> on average to top 1%.</li> <li>Increases taxes on nearly <b>8 million</b> mostly low- and middle-income families with children, including more than half of single parents.</li> </ul>
<b>Taxing Wealth: The Estate Tax</b>	<p><b>Strengthens the estate tax to curb accumulation of dynastic wealth. [\$235 billion]</b> Lowers threshold at which estate tax is due to \$3.5 million and raises the top rate to 45%. Creates new higher estate tax rates of: 50% on over \$10M, 55% on over \$50M, and 65% on over \$500M. Current estate tax only affects the richest <b>1 in 500 estates</b>.</p>	<p><b>Eliminates the estate tax, losing \$270 billion.</b> (Reduces lost revenue by requiring wealthy heirs to immediately pay capital gains taxes on inherited assets, with a \$10M exemption.) If Trump is worth \$10 billion as he claims, his heirs would inherit at least <b>\$4 billion</b> more.</p>
<b>Taxing Wealth: Capital Gains</b>	<p><b>Increases capital gains taxes on the wealthy by \$234 billion.</b> Requires wealthy heirs to immediately pay capital gains taxes on inherited assets (by ending step-up in basis). [<b>\$150 billion</b>] Encourages investors to hold assets longer by extending the holding period to qualify for lower, long-term capital gains rates. [<b>\$84 billion</b>]</p>	<p><b>Provides a \$192 billion capital gains tax cut to the wealthy.</b> Eliminates the 3.8% tax on investment income above \$250,000 per couple under the Affordable Care Act, lowering the top rate to 20%. (Changes in how inherited assets are valued will reduce the revenue loss).</p>
<b>Taxing Corporations: General Tax Rates</b>	<p><b>Has not announced any corporate tax-rate changes.</b></p> <ul style="list-style-type: none"> <li>Eliminates fossil fuel tax incentives [<b>\$50 billion</b>]</li> <li>Proposes a fee on financial institutions [<b>\$150 billion</b>]</li> </ul>	<p><b>Slashes corporate tax rate by 60%—from 35% to 15%, which loses \$2.4 trillion.</b></p>
<b>Taxing Corporations: Treatment of Offshore Profits</b>	<p><b>Has not announced a position on taxing the \$2.4 trillion in existing profits held offshore by multinational corporations.</b> Taxing those profits at the 35% corporate tax rate, less credit for foreign taxes paid, could net up to <b>\$700 billion</b>.</p> <ul style="list-style-type: none"> <li>Raises <b>\$275 billion</b> from unspecified business tax reforms to pay for infrastructure investments. Some or all of this is likely the taxation of existing offshore profits.</li> <li>Raises cost and difficulty for companies attempting to lower taxes through various offshore accounting maneuvers such as "inversions" [<b>\$92 billion</b>]</li> </ul>	<p><b>Proposes to tax \$2.4 trillion in existing offshore profits at a 10% rate, less foreign taxes paid.</b> This would raise about <b>\$150 billion—\$550 billion</b> less than the up to <b>\$700 billion</b> that could be raised from applying the 35% corporate tax rate to those profits.</p>
<b>Taxing Pass-Through Entities: The "Trump Loophole"</b>	<p><b>Closes business tax loopholes on pass-through entities (partnerships, S corps, LLCs) that primarily benefit the wealthy, raising \$285 billion.</b></p> <ul style="list-style-type: none"> <li>Requires pass-through entities to pay the same 3.8% tax on income above \$250,000 per couple that is paid on earned income and income from investments (capital gains, dividends, etc.) above that level. [<b>\$250 billion</b>]</li> <li>Eliminates a tax loophole that enables wealthy professionals to avoid payroll taxes by routing their income through a pass-through business. [<b>\$35 billion</b>]</li> </ul>	<p><b>May slash the top tax rate on all pass-through entity income to 15%, losing \$1 trillion.</b> (Trump's campaign has offered contradictory information on whether this proposal remains in his plan.) He is the sole or principal owner of <b>500 pass-through entities</b>. Because he will personally benefit from this tax giveaway, it's been dubbed the "<b>Trump Loophole</b>."</p>
<b>TOTAL</b>	<b>Raises \$1.7 trillion to pay for new investments</b>	<b>Loses about \$5.8 trillion</b>

### Top Tax Rates: Clinton's vs. Trump's Tax Plan, 2016



Source: ATFAF based on Clinton's and Trump's Tax Plans

\*Trump proposes to eliminate the estate tax. Clinton proposes rates higher than 45% on the very wealthy -- from 50% to 65%.