

**COMPARISON OF CURRENT TAX RATES, TRUMP PROPOSED RATES, AND
REPUBLICAN BLUEPRINT PROPOSED RATES (AS OF 11/28/2016)**

	2016	Trump Proposal^{1/}	House Republican Tax Blueprint^{2/}	Range
Individual Income Tax Rates on Ordinary Income	7 brackets with a top rate of 39.6% (10%, 15%, 25%, 28%, 33%, 35%, and 39.6%). <u>Note:</u> Top rate including NII surtax is 43.4%.	3 brackets with a top rate of 33% (12%, 25%, and 33%).	3 brackets with a top rate of 33% (12%, 25%, and 33%). <u>Exception:</u> "active business income" from sole proprietorships and pass-through entities would be capped at 25% except to the extent of an owner-operator's "reasonable compensation" for services, which would be subject to the 3-bracket rate structure.	Top rate range between 33% and 39.6% (or 43.4%, including NII surtax). <u>Unless:</u> active business income in excess of "reasonable compensation," which would make top rate range between 25% and 39.6% (or 43.4%, including NII surtax).
Capital Gains Tax Rates	0%, 15%, and 20%. <u>Note:</u> Top rate including NII surtax is 23.8%.	0%, 15%, and 20%.	Ability to deduct half of net capital gains, dividends, and interest income, resulting in effective rates of 6%, 12.5%, and 16.5%.	Top rate range between 16.5% and 20% (or 23.8%, including NII surtax).
Surtax on Net Investment Income	3.8% above \$200,000 AGI (single), \$250,000 (married) Trusts with income over \$12,400	Eliminates with repeal of Affordable Care Act.	Eliminates with repeal of Affordable Care Act.	
Phase Out of Itemized Deductions and	Applies to AGI over: \$259,400 (single)	Limit on itemized deductions: \$100,000	Larger "consolidated" standard deduction (encompassing	

^{1/} <https://www.donaldjtrump.com/policies/tax-plan>

^{2/} <https://waysandmeans.house.gov/taxreform/>

Personal Exemptions	\$311,300 (married)	(single), \$200,000 (married). Raises the standard deduction. Eliminates personal exemptions.	current basic standard deduction, additional standard deduction, and personal exemption for taxpayer and spouse) and larger child and dependent tax credit (encompassing current child tax credit and personal exemption for child and dependents). Eliminates all itemized deductions except mortgage interest deduction and charitable deduction.	
Alternative Minimum Tax (AMT)	28% minimum rate, with exemption amount of \$53,900 (single), \$83,800 (married), \$23,900 (Trusts).	Eliminates AMT.	Eliminates AMT.	
Taxation of Carried Interests	Taxed as capital gains.	Taxed as ordinary income.	Not specifically addressed.	
Estate Tax	\$5,450,000, as adjusted for inflation, with top tax rate of 40%.	Repeals estate tax.	Repeals estate tax.	Top rate range between no estate tax and current \$5,450,000 exemption with top tax rate of 40%.
Lifetime Gift Tax Exemption	\$5,450,000, as adjusted for inflation.	Not specifically addressed. Perhaps repeal?	Not specifically addressed.	

Gift Tax Annual Exclusion	\$14,000 per donee as indexed for inflation.	Not specifically addressed. Perhaps repeal?	Not specifically addressed.	
GST Tax	\$5,450,000, as adjusted for inflation, with top tax rate of 40%.	Not specifically addressed. Perhaps repeal?	Repeals GST tax.	Top rate range between no GST tax and current \$5,450,000 exemption with top tax rate of 40%.
Basis of Inherited Assets	Stepped up to fair market value at death.	Capital gains "held until death" taxed, with first \$10 million tax-free to exempt small businesses and family farms. (Unclear whether tax will be imposed on the death of the decedent or at a later time when a beneficiary sells the property.) "Disallows" contributions of appreciated assets "into a private charity" established by decedent or decedent's family.	Not specifically addressed; no mention of elimination of step up in basis at death.	