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Tax policy decisions ahead: Implications of the 2020 presidential election

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Introduction

With nominating conventions behind them and the presidential campaign now moving into high gear post-Labor Day, the two leading contenders in the race for the White House—former Vice President Joe Biden, the Democratic presidential nominee, and President Donald Trump, whom Republicans have tapped to run for another term in the Oval Office—have begun to make their final case to the voters ahead of the November 3 general election.

Although the economic impact of the coronavirus pandemic (and the federal response to it) is likely to dominate the fiscal policy debate this election cycle, one of the issues implicitly on the ballot is the fate of President Trump's signature 2017 tax code overhaul—known informally as the Tax Cuts and Jobs Act (TCJA, P.L. 115-97)—which, among other things, lowered the tax burden for many businesses, whether structured as corporations or passthrough entities, as well as for individuals, trusts, and estates. (For budgetary and procedural reasons, the individual and passthrough provisions generally are scheduled to expire at the end of 2025, with certain other business tax changes phasing in or out even sooner.)

Former Vice President Biden contends that TCJA's benefits are skewed to large corporations and more affluent individuals and has offered tax policy proposals aimed at addressing that perceived imbalance. President Trump, on the other hand, argues that TCJA's temporary tax cuts were necessary to fuel economic growth and should be made permanent—and, in some cases, even expanded.

This publication offers a high-level discussion of the two candidates' tax policy proposals on TCJA and other issues, along with a side-by-side comparison of their positions on certain key tax questions.

There are a few significant caveats worth keeping in mind. First, very little detail is currently available on any of the proposals that either candidate has put forward so far. As we went to press, neither candidate had released detailed tax policy papers to the public or delivered a substantial, tax-focused economic address. The proposals discussed here are gleaned largely from statements on the candidates' respective websites, as well as from comments made during rallies, campaign speeches, and briefings to reporters. (Details on and links to sources are included in the side-by-side comparison tables beginning on page 11.)

Former Vice President Biden also addressed some of his tax priorities during the Democratic primary debates, and President Trump's thinking on tax policy in a possible second term is revealed—to an extent—in the budget proposals he has sent to Congress since TCJA was enacted in late 2017. It is also worth remembering that former President Barack Obama put forward numerous detailed tax policy proposals as part of his budget submissions to Congress, as well as a general framework for business tax reform that was released in 2012 and updated in 2016. Some of the proposals laid out in these documents—notably, setting the corporate tax rate at 28%, closing the gap between "book" and "tax" income, and repealing "stepped-up" basis for purposes of the estate tax—are already reflected in Biden's policy positions, and others may influence his policies going forward.

It is possible, too, that additional details may emerge during the campaign—particularly if tax and economic policy plays a significant role in any of the upcoming presidential debates this fall. (According to the current schedule, the candidates will meet September 29 in Cleveland, October 15 in Miami, and October 22 in Nashville, and their running mates will meet in a single debate, currently scheduled for October 7 in Salt Lake City.)

Finally, it is also important to note that generally tax policy originates in Congress, not the White House, so any new tax laws enacted in a Biden administration or in the second term of a Trump administration will necessarily also carry the imprimatur of the legislative branch with its many competing interests and priorities.

Joe Biden: Readjusting the tax burden

Former Vice President Biden is campaigning on the premise that the federal income tax system needs to be retooled to ensure that corporations and high-net-worth individuals are paying "their fair share" and has proposed increasing top income tax rates, along with "base broadeners" such as eliminating or limiting various incentives currently available to these taxpayers.

Under Biden's plan, revenue generated from these proposed changes to the tax code—nearly $4 trillion over 10 years, according to estimates by the Tax Policy Center and the Tax Foundation, two nonpartisan think tanks—would be used to provide tax relief for lower- and middle-income taxpayers and pay for spending priorities, such as improving the nation's infrastructure, developing alternative energy sources, and building up the US manufacturing sector.

Highlights of corporate and business tax proposals

One of the signature provisions of TCJA was the reduction in the corporate tax rate to 21% from its prior-law level of 35%. Biden proposes to increase that rate to 28%. (The Obama administration proposed to set the corporate rate at 28%—down from the then-current 35% rate—in the 2016 update to its corporate tax framework, and also would have provided an even lower 25% rate to certain domestic manufacturers.)

Although the Biden campaign does not mention this explicitly, it is worth noting that an increase in the corporate tax rate would automatically trigger changes elsewhere in the tax code—for example, in the rate imposed on global intangible low-taxed income (GILTI) and foreign-derived intangible income (FDII), both of which are tied to the corporate income tax rate.

Base erosion and minimum taxes: Biden also would make it more difficult for certain corporate taxpayers to significantly reduce or eliminate their tax liability through proposals to:

- Increase the effective tax rate on GILTI earned by US-based multinationals (a TCJA provision aimed at addressing base erosion) to 21% from its current level of 10.5% in effect through 2025. (Under TCJA, the effective tax rate on GILTI is scheduled to increase to 13.125% beginning in 2026.) In a campaign fact sheet released September 9 (shortly after this publication originally went to press) that outlines proposals aimed at encouraging US manufacturing, Biden also appears to call for a country-by-country approach to calculating GILTI which would, in general, prevent the offsetting of GILTI amounts between high-tax and low-tax countries.
- Impose a 15% minimum tax on book income for companies that report net income of more than $100 million but owe no US income tax. (As with most of the proposals outlined in this publication, the Biden campaign has not provided sufficient additional details to permit a more robust discussion and analysis.)

Offshoring and redomestication of US jobs: The proposals to encourage domestic manufacturing that Biden unveiled on September 9 include an "offshoring tax penalty" that would impose a 10 percent surtax – on top of his proposed 28 percent corporate rate – on the profits of foreign production (including call centers and services) intended for sale back into the US. As a result, according to the campaign, "[c]ompanies would pay a 30.8 percent tax rate on any such profits." The plan would also deny deductions associated with moving jobs and production offshore, while also implementing "strong anti-inversion regulations and penalties."

In addition to the offshoring penalty, the Biden campaign also proposed an advanceable "Made in America" credit of 10 percent that could be applied to several enumerated categories of qualifying expenses, including those related to returning production to the US, revitalizing existing closed or closing manufacturing facilities, incrementally increasing wages paid to US manufacturing workers, and retooling facilities to "advance manufacturing competitiveness and employment."

Passthrough business income: The former vice president proposes to tighten tax benefits currently available to owners of large passthrough entities, who are taxed as individuals, by phasing out the deduction under section 199A (another significant TCJA provision currently scheduled to expire after 2025) for taxpayers with income of more than $400,000.

Sector-specific proposals: Beyond his call to increase the corporate tax rate generally, Biden would raise taxes on specific business sectors through proposals to repeal certain current-law tax preferences and impose new targeted fees and fines. To date, his campaign platform calls for:

- Eliminating "unproductive tax cuts for high-income real estate investors"—something many taxpayer groups and press reports have interpreted to mean repealing (or limiting) the like-kind exchange rules;
- Imposing a "risk fee" on certain large financial institutions;
- Repealing certain current-law tax incentives for the fossil fuel industry (although a plank of the Democratic party platform that specifically called for eliminating these provisions was deleted before ratification at the Democratic National Convention last month); and Repealing the deduction for direct-to-consumer advertising expenses of pharmaceutical companies and imposing a tax penalty on pharmaceutical companies that increase drug costs by more than the rate of inflation.

Conversely, Biden proposes to use the tax code to promote other industry sectors—most notably, alternative energy. Here, for example, his proposals include permanently extending the investment tax credit for residential solar energy, expanding deductions for emissions-reducing investments, and creating new incentives to encourage the development of a low-carbon manufacturing sector.

Community and workplace development incentives: Former Vice President Biden would retain TCJA's Opportunity Zone program, which allows tax-deferred capital gains and additional benefits for certain investments in economically distressed communities. He also, however, proposes reforms to promote transparency and ensure benefits are only directed to projects providing "clear economic, social, and environmental benefits to a community."

Biden also would expand the new markets tax credit and make it permanent, expand the work opportunity tax credit, create a new "manufacturing communities credit" to encourage investment in communities affected by mass job losses, expand the low-income housing tax credit, and create a new tax credit for employers who hire workers with disabilities.

Tax increases on upper-income individuals

On the individual side of the code, Biden proposes to raise taxes on most upper-income taxpayers—defined as households with annual income of more than $400,000. But unlike some of his former rivals for the Democratic presidential nomination—most notably, Vermont Sen. Bernie Sanders and Massachusetts Sen. Elizabeth Warren—he has not called for enacting an annual "wealth tax" that would be imposed on affluent individuals based on their net worth. Instead, he has adopted a fairly traditional approach to redistributing the tax burden that calls for higher taxes on realized income (from wages and capital gains) and on the value of an individual's estate at death (beyond an exemption threshold).

Income tax rates and deductions: Biden has called for restoring the top rate on ordinary income to its pre-TCJA level of 39.6% (from 37% under current law), capping the value of itemized deductions at 28%, and restoring the so-called Pease limitation on itemized deductions, which was repealed under the TCJA through 2025.

Capital gains and dividends, carried interests: Under Biden's plan, income from long-term capital gains and certain dividends would be taxed at ordinary rates for individuals with income of more than $1 million. All income from carried interests likewise would be taxed at ordinary rates. (Under TCJA, carried interests held for more than three years are taxed at preferential long-term capital gains rates.)

Transfer taxes: Biden has not released a formal, comprehensive proposal to address the estate, gift, and generation-skipping transfer tax, although at different points in the campaign he has signaled his position on the key elements of a future plan.

He specifically has expressed support for returning the estate tax to the levels in effect in 2009—that is, a top rate of 45% and an exemption of $3.5 million per taxpayer.

Congress set the estate tax rate at 40% and the exemption amount at $5 million per spouse (indexed annually for inflation) in the American Taxpayer Relief Act of 2012 (P.L. 112-140). In drafting TCJA in 2017, lawmakers left the 40% rate in place, but doubled the exemption amount to $10 million per taxpayer, with an annual adjustment for inflation through 2025. (The exclusion for 2020 is $11.58 million per single taxpayer.) Without congressional intervention, the exclusion will revert to its pre-TCJA level—a base exemption of $5 million per taxpayer, indexed annually for inflation—beginning in 2026.

Biden also has called for repealing the basis step-up for inherited assets. (Although the exact contours of this policy remain unknown, an Obama-era budget proposal in this area would have generally taxed the donor on appreciated property at death, subject to a $100,000 per-person exclusion portable to one's spouse.)

Payroll taxes: Former Vice President Biden also proposes to shore up future Social Security shortfalls through payroll tax changes targeting upper-income wage earners. Currently, a payroll tax of 12.4% is equally split between employers and employees on the first $137,700 of an employee's wages (the wage cap for 2020, indexed for inflation). An additional 2.9% tax, again equally divided, to help fund Medicare is not similarly income-capped. Biden would expand the payroll tax regime by establishing a second threshold at which the Social Security portion of the payroll tax would be imposed. Under his plan, the Social Security payroll tax would apply to:

- Wages up to the inflation-adjusted limit under current law and
- Wages of more than $400,000.

The result would be a "donut hole" where wages above the current-law threshold (adjusted for inflation) and less than $400,000 would not be subject to the payroll tax. The plan is silent on whether the $400,000 threshold amount would also be inflation-adjusted.

Expanded middle-class tax incentives

Biden's proposals to increase taxes on wealthier individuals are earmarked to help finance an expanded slate of family-focused tax incentives benefiting middle- and lower-income taxpayers.

Child care and family caregiving: Biden has proposed to address the cost of child care by increasing the child and dependent care tax credit to a maximum of $8,000 for one child and $16,000 for two or more children while also making the credit refundable. As proposed, the credit is intended to cover up to one-half of a family's annual cost of child care for children under age 13, although it would be phased out for families with higher incomes.

He also has proposed a new $5,000 tax credit to help informal caregivers cover expenses incurred in caring for other family members—for example, those who are elderly, have disabilities or chronic health conditions, or are military service members or veterans dealing with service-related illnesses or injuries. While details are scant, it is generally believed these and other new tax credits would be income-capped to prevent the benefits from being taken by those deemed to have sufficient resources to meet those costs without the tax incentive.

Housing: To address the cost of housing, Biden would create an advanceable and refundable "First Down Payment" tax credit of up to $15,000 for certain first-time home buyers, a credit for families who rehabilitate distressed properties in distressed communities, and a renter's tax credit designed to cap rent and utilities at 30% of income for low-income households.

Alternative energy incentives: On the alternative energy front, he has proposed to the restore the full electric vehicle tax credit and modify it to target middle-class consumers, restore the tax credit for residential energy-efficiency improvements, and permanently extend the residential solar investment tax credit.

Retirement savings: Biden also proposes to "equalize" the treatment of defined contribution retirement plans to make the tax benefits of saving for retirement more broadly available to middle- and lower-income taxpayers. He has not specified how, but some analysts assume the plan would include replacing the current-law deduction for IRA contributions with a refundable tax credit. He also would change the retirement savings rules by allowing family caregivers to make "catch-up" contributions to retirement accounts, even if they are not earning income in the formal labor market, and by making it easier for survivors of domestic violence to gain penalty-free access to retirement funds to cover certain emergency expenses.

Pay attention to effective dates

Because Biden has not released fully fleshed-out legislative proposals, we are missing many key details—including when they would take effect. Generally, tax law changes are effective on date of enactment or prospectively to the beginning of the next tax year. But there have been some instances where provisions have taken effect retroactively to the beginning of a calendar year and others in which taxpayers have been put on notice by congressional taxwriters that certain changes will be retroactive to some other date, such as the date of introduction of a proposal. For example, the increase to a 39.6% top marginal rate enacted as part of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66, signed into law August 10, 1993) was retroactive to January 1 of that year. Similarly, the reduction in individual rates enacted as part of the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16, signed into law June 7, 2001) was retroactive to January 1, 2001.

Given that the Democratic party in recent years has moved more generally toward advocating for tax increases on upper-income individuals and businesses, there could be a legitimate concern that some tax changes that might be enacted in a Biden administration next year—such as increasing the top individual rate or higher tax rates for capital gains and certain dividends—could be made retroactive to the beginning of 2021. Of course, much of this may be predicated on the status of the economy early next year and other factors described below. Nevertheless, it is not outside the realm of possibility that tax changes enacted in 2021 could be made effective retroactive to the start of the year, something interested taxpayers should monitor closely.

Donald Trump: Doubling down on TCJA

President Trump's tax policy platform to date has focused largely on promoting and preserving TCJA. His campaign website touts his success in enacting "historic tax cuts and relief for hard-working Americans," and the three budget blueprints he has submitted to Congress since TCJA was signed into law in December 2017 assume that the various rate cuts and other temporary tax relief provisions for individuals and estates will be made permanent.

The president's budget proposals have not, however, indicated his position on certain corporate revenue-raising provisions in TCJA that are currently scheduled to take effect in the next few years, such as changes to the treatment of research and development expenses, further limitations on the business interest deduction, and a phasing out of bonus depreciation—all of which are set to begin in 2022—plus a scheduled increase in the effective rate on GILTI beginning in 2026.

Tax Cuts 2.0?

The president has at various points since 2018 called for building on TCJA through what he has dubbed a "Tax Cuts 2.0 package" that would focus primarily on the middle class.

The administration has spoken only in broad terms about the contours of such a plan, although the president and his advisors have on various occasions suggested provisions such as a 10% rate cut for middle-income taxpayers, some form of capital gains tax relief (such as a reduction in the long-term capital gains rates or indexing of the basis of certain capital gains for inflation), and a payroll tax cut or temporary payroll tax holiday. (The president has indicated that he would, if reelected, work with Congress to provide forgiveness for the temporary employee-side payroll tax deferral he put in place by executive order on August 8.)

Proposals on the business side that have been floated—but never pursued—include further reducing the corporate tax rate (to 20%) and extending or expanding bonus depreciation, such as by allowing full expensing for structures.

The Trump campaign also briefly mentioned some tax policy proposals affecting individuals and businesses in a list of priorities for a second-term agenda that was released August 23 on the eve of the Republican National Convention. The tax-focused agenda items include:

- Cutting taxes "to boost take-home pay and keep jobs in America";
- Enacting "Made in America" tax credits;
- Expanding Opportunity Zones;
- Enacting new tax credits "for companies that bring back jobs from China"; and
- Permitting 100% expensing "for essential industries like pharmaceuticals and robotics who bring their manufacturing back to the United States."

The campaign indicated that "[o]ver the coming weeks, the president will be sharing additional details about his plans through policy-focused speeches on the campaign trail."

Because the campaign has provided few details on key elements of the president's tax proposals, revenue estimates from sources such as the Tax Policy Center and the Tax Foundation are not currently available.

A few discrete tax proposals

The president has included a limited number of specific tax proposals in his post-TCJA budgets, State of the Union messages, and recent campaign speeches.

Redomesticating jobs: In an August 17 campaign speech in Mankato, Minn., President Trump proposed—without elaboration—to "create tax credits for companies that bring jobs from China back to America" and "impose tariffs on companies that leave America to produce jobs overseas."

Alternative energy incentives: The president's budget blueprints for fiscal years 2019, 2020, and 2021 call for repealing several alternative energy tax incentives, including:

- The qualified plug-in electric drive motor vehicle credit;
- Accelerated depreciation for renewable energy property (although qualifying property would remain eligible for the bonus depreciation allowance included in TCJA);
- The energy investment tax credit (section 48);
- The credit for residential energy-efficient property (section 179D); and
- The income exclusion for utility conservation subsidies (section 136).

Education Freedom Scholarships: The FY 2021 budget blueprint includes a proposal carried over from the prior year's package—and touted in the president's State of the Union address to Congress this past January—that would provide tax credits of up to $50 billion over 10 years to individuals or businesses making donations to certain state-authorized nonprofit organizations that grant so-called Education Freedom Scholarships to families of elementary and secondary students. The scholarships would help cover the cost of things such as career and technical dual-enrollment programs, after-school tutoring programs, and tuition for private and parochial schools. A taxpayer who donates to one of these organizations and claims the tax credit would not be allowed to also claim that donation as an itemized charitable deduction.

Targeted student loan debt forgiveness: Recent budget blueprints would allow health care workers who receive funds for qualified tuition and related expenses under the Indian Health Service Professions Scholarship Program, NURSE Corps, and Native Hawaiian scholarship and loan repayment programs to exclude those amounts from income in return for satisfying a service requirement. They also would allow a similar exclusion for loan amounts forgiven under the Indian Health Service Loan Repayment Program and NURSE Corps.

Health care–related proposals: Other budget proposals would expand access to tax-preferred health savings accounts (HSAs) and medical savings accounts (MSAs) by:

- Allowing Medicare-eligible individuals who are still working and have a high-deductible health plan through an employer to contribute to an HSA and
- Allowing Medicare beneficiaries enrolled in Medicare MSA plans to contribute to their MSAs beginning in 2022 (subject to limits to be determined by the IRS).

Advanceable child tax credit for new parents: In his 2020 State of the Union message, the president touted TCJA's expansion of the child tax credit and urged Congress to pass bipartisan legislation (H.R. 5296, S. 2976) that would allow new parents to receive an advance on the credit of up to $5,000 following the birth or adoption of a child.

Looking ahead

It is impossible to know right now who will be setting the tax policy agenda when the next presidential administration begins in 2021. But it is worth remembering that no matter who is in the Oval Office, getting tax code changes enacted into law requires willingness on the part of both congressional leadership and the White House to engage and seek to reach consensus.

Impact of congressional elections

That process could prove difficult if the White House and Congress are controlled by two different parties—as was the case during much of the Obama administration, for example—or if control of the House and Senate is split between Democrats and Republicans, as it is currently. The individuals in power next year will approach the tax policy debate with priorities of their own and will further be influenced by who is sitting at the bargaining table with them and their expectations regarding what an acceptable deal would look like and whether one is achievable.

As of press time, Democrats appeared poised to retain their majority in the House. Republicans would need a net gain of 20 seats to win back the majority, and the nonpartisan Cook Political Report currently projects they cannot achieve that, even if they were to pick up every Democratic seat considered a "toss-up." Cook also projects that both the presidential (electoral college) and Senate results are expected to come down to a handful of states where polls are tight, so a "blue wave" resulting in full Democratic control is possible, as is a swing to the right that keeps the Senate and the White House in Republican hands and threatens the Democrats' majority in the House of Representatives.

While voters could "split" their ticket—that is, select a presidential candidate from one party and a Senate candidate from the opposite party to keep one party from having too much power—this practice has become increasingly rare. In the 2016 election, for example, in each of the states that held Senate races that year, the party that won the Senate seat also took the majority in the presidential vote count.

But even if one party—be it Democrats or Republicans—were to gain control of the White House and both chambers of Congress, its Senate majority would almost surely be too small to break a minority filibuster, which means it would face procedural obstacles in moving legislation that lacked bipartisan support. (Overcoming a filibuster generally requires 60 votes, and the Senate is expected to be closely divided in the 117th Congress no matter which party prevails in November.) This scenario would then bring into play budget reconciliation, a powerful process that can be invoked to sidestep procedural obstacles to advancing certain tax and spending legislation in the Senate. (Republicans invoked budget reconciliation to advance TCJA through Congress in 2017, when they controlled both chambers of Congress but did not hold the supermajority needed in the Senate to overcome a filibuster by Democrats. For their part, Democrats took that same procedural route to pass the Patient Protection and Affordable Care Act in 2010.)

The availability of budget reconciliation does not guarantee legislative success, however, as ideological divisions within a party could present challenges to a narrow Senate majority seeking to coalesce around a single set of tax proposals. For example, in 2017, internal divisions prevented Senate Republicans from approving a budget reconciliation bill to repeal the Patient Protection and Affordable Care Act. On the other hand, a newly elected (or reelected) president who brings with him House and Senate majorities may be seen as having a mandate, which could push reluctant members of Congress to be more aggressive on some policy matters than they otherwise might be.

Changes to filibuster rules? Budget reconciliation also comes with significant built-in procedural constraints that can shape, and in many cases limit, the scope of legislation in ways that are often difficult to predict. Given those challenges (and some of the policy priorities Democrats have that could not be pursued through budget reconciliation), there have been increasingly frequent discussions among Democratic leaders about reversing Senate procedural precedent to eliminate the filibuster for legislation if they control the chamber (as well as the White House and the House) in the 117th Congress. This is something that could be accomplished by a simple majority vote—that is, 51 votes (or 50 plus the tiebreaking vote of the vice president)—something Democrats adopted for most confirmable positions (such as lower court judges and administration officials during the Obama administration) and that Republicans expanded upon in 2017 to apply also to Supreme Court nominees. If either party were to pursue this option, it would dramatically change the legislative process and the outlook for what would be expected to become law when one party controls the House, the Senate, and the White House.

Regulatory authority: Also keep in mind that any president has tremendous regulatory powers and that a White House facing a reluctant Congress could opt to pursue some of its agenda through regulatory actions. A president almost surely cannot raise rates or take other action that directly contravenes the law, but there are often important regulatory gray areas that allow for substantial policy changes to be made through the rulemaking process.

Economic challenges

Outside factors will also exert a role in shaping the legislative process. As the nation continues to grapple with the economic uncertainty stemming from the coronavirus pandemic, the tax proposals put forward in a Trump or a Biden administration next year may be influenced—possibly in ways we cannot yet anticipate—by the status of the pandemic and the economy at that time.

Relatedly, the swift and severe economic contraction this year—and the large fiscal response in the form of tax cuts and additional spending—has led to sharp upticks in the budget deficit and publicly held debt to levels that have not been seen in the United States since World War II. Whether investors—both foreign and domestic—will continue to view US Treasuries as a "safe haven" remains to be seen, particularly given the current coronavirus-related fiscal imbalance is being layered on top of longstanding imbalances between federal spending and federal revenues, as well as demographic trends that were already pushing up deficits and have placed two of the biggest and most popular US social programs (Social Security and Medicare) on paths to insolvency over the next 10 to 15 years. Notably, based on the limited details available, former Vice President Biden's tax increase proposals are generally aligned with offsetting the cost of new and expanded programs and not reducing the deficit. And during the Democratic National Convention in August, his advisors indicated he would feel the need to offset only the cost of permanent policy, suggesting further temporary economic recovery or stimulus measures related to the pandemic would likely be deficit-financed.

Even in the best of circumstances, these budgetary factors seem certain to constrain lawmakers' ability to pursue major fiscal legislation, particularly if it is not fully financed. In the worst of cases, these factors could force policymakers to pursue tax increases, spending cuts, or possibly both in order to prevent or address a debt crisis.

Evaluate, model, plan

Despite this uncertainty, significant tax law changes over the next few years remain a real possibility, and it is not too early to start evaluating the proposals being put forward, modeling potential outcomes, and planning the appropriate actions to take if and when these proposals go from high-level plans and talking points to fully framed legislative policies with substance, effective dates, and, presumably, anti-avoidance rules.

Corporate and business tax proposals compared

The table below provides an overview, based on the details available to date, of how former Vice President Biden and President Trump would address a variety of issues related to the taxation of corporations and businesses. The policies outlined here are still being fleshed out and may be subject to significant refinement as the 2020 presidential campaign continues.

Corporate and business tax proposals			
Issue	**Current law**	**Joe Biden**	**Donald Trump**
Corporate tax rate	21%	Increase to 28%[1] 15% minimum tax on book income of companies reporting US net income >$100 million but owe no US income tax[2]	Has said he favors a decrease to 20%, but has no formal proposal[3]
Foreign-source income of US multinationals	Global intangible low-taxed income (GILTI) earned by US-based multinationals subject to a 50% deduction (effective rate of 10.5%) through 2025, and a 37.5% deduction (effective tax rate of 13.125%) thereafter	Increase GILTI effective rate to 21%; calculate GILTI on a country-by-country basis[4]	Retain current law

Corporate and business tax proposals

Issue	Current law	Joe Biden	Donald Trump
Tax treatment of domestic companies that offshore or redomesticate jobs	No direct incentives or disincentives	Impose 10% "offshoring tax penalty" on profits of foreign production (including call centers and services) intended for sale back into the US (applicable on top of proposed 28% corporate tax rate for a combined tax rate of 30.8% on any such profits); deny deductions associated with moving jobs offshore; strengthen anti-inversion regulations and penalties Create advanceable "Made in America" credit of 10% applicable to qualifying expenses such as those related to returning production to the US, revitalizing existing closed or closing manufacturing facilities, incrementally increasing wages paid to US manufacturing workers, and retooling facilities to "advance manufacturing competitiveness and employment" Establish a "claw-back" provision requiring a company to return public investments and tax benefits when they shed US jobs and send them overseas Eliminate incentives for pharmaceutical and other companies to move production overseas[5]	"Create tax credits for companies that bring jobs from China back to America"[6] Impose "tariffs on companies that leave America to produce jobs overseas"[7] Allow 100% expensing "for essential industries like pharmaceuticals and robotics who bring back their manufacturing to the United States"[8]
Tax havens, base erosion generally	Base Erosion and Anti-Abuse Tax (BEAT) limits the ability of large multinationals to shift profits from the United States by making deductible payments to their affiliates in low-tax countries	Reduce incentives for "tax havens, evasion, and outsourcing"[9]	Retain current law

Corporate and business tax proposals			
Issue	**Current law**	**Joe Biden**	**Donald Trump**
Depreciation	100% immediate expensing for qualified property through 2022, then phased down each year through 2026 to 20% (expires after 2026); special rules for longer-production-period property and certain aircraft	No specific proposal, but may be affected by proposed minimum tax (see above)	Said to be considering proposals to extend or expand bonus depreciation and to allow "full expensing" for structures, but has not released a formal plan[10] Allow 100% expensing "for essential industries like pharmaceuticals and robotics who bring back their manufacturing to the United States"[11]
Passthrough income (section 199A)	Discussed with individual income tax proposals in separate table below		
Carried interests	Discussed with individual income tax proposals in separate table below		
Sector-specific proposals			
Real estate	Gain/loss recognition deferred on disposal of certain real property and acquisition of similar replacement property (like-kind exchange) $25,000 exemption from passive loss rules for rental losses Accelerated depreciation rules apply to rental housing	Has called for eliminating "unproductive and unequal tax breaks for real estate investors with income over $400,000" (presumably by repealing like-kind exchange rules)[12]	Retain current law
Financial institution risk fee	No provision	Impose risk fee on certain liabilities of certain large financial institutions[13]	No proposal
Fossil fuels	Intangible drilling costs 100% deductible in first year for independent producers and 70% deductible for integrated firms Tax exemption of set percentage of taxable income for independent oil, gas, and coal producers (and investors), such as "percentage depletion"	Repeal certain current-law tax incentives for fossil fuels[14]	Retain current law

Corporate and business tax proposals

Issue	Current law	Joe Biden	Donald Trump
Alternative energy (commercial)	Tax credit for home builders of up to $2,000 per new energy-efficient home, through 2020 26% investment tax credit (ITC) for businesses installing solar system, phasing down to 10% in 2022 Deduction of up to $1.80 per square foot for owner or designer of building or system that saves heating and cooling energy Accelerated (five-year) depreciation available for renewable energy property	Restore and make permanent solar ITC[15] Expand deduction for emissions-reducing investments[16] Increase incentives for electric vehicles and energy-efficient technologies[17] Encourage development of low-carbon manufacturing sector through tax credits and subsidies for businesses to upgrade equipment and processes, invest in expanded or new factories, and deploy low-carbon technologies[18] Reform and extend incentives that generate energy efficiency and clean energy jobs; promote tax incentives for technology that captures carbon and then permanently sequesters or utilizes that captured carbon (including lowering cost of carbon capture retrofits for existing power plants)[19]	Previous budget proposals have called for repeal of the energy investment tax credit and accelerated depreciation for renewable energy property[20]
Pharmaceuticals	None specific to the industry	Impose tax penalty on pharma companies that raise drug costs by more than the rate of inflation[21] Repeal deduction for certain pharma company advertising expenses[22] Eliminate incentives for pharmaceutical and other companies to move production overseas[23]	Allow 100% expensing "for essential industries like pharmaceuticals and robotics who bring back their manufacturing to the United States"[24]

Corporate and business tax proposals			
Issue	**Current law**	**Joe Biden**	**Donald Trump**
Community and workplace development incentives			
Opportunity Zones (OZ)	Allow tax-free capital gains for investments held at least 10 years, basis increase for investments held at least five years, and temporary deferral of capital gains on existing assets placed in OZ funds; final OZ designations were certified in June 2018; election to invest capital gains in an OZ expires December 31, 2026	Reform OZ program by (1) requiring Treasury Department to review OZ projects to ensure benefits are only directed to projects providing "clear economic, social, and environmental benefits to a community," (2) requiring recipients of OZ tax benefits to publicly disclose their investments and the impact on local residents, and (3) providing incentives for Opportunity Funds to partner with nonprofit or community-oriented organizations and jointly produce a community-benefit plan for each investment[25]	Has called for extending the OZ program, but has no formal proposal[26]
New markets tax credit	Available for up to 39% of a project's cost for investors in low-income-community businesses, through 2020	Expand and make permanent[27]	Retain current law
Low-income housing tax credit	Available to incentivize development and improvement of affordable rental housing; an increased ceiling expires December 31, 2021	Expand through additional federal investment of $10 billion; ensure that urban, suburban, and rural areas all benefit from the credit[28]	No proposal
Incentives for domestic manufacturing	No provision	Establish a manufacturing communities tax credit for five years to incentivize qualified investment in communities affected by mass job losses[29]	Create "Made in America" tax credits[30]
Work opportunity tax credit (WOTC)	Available to employers for hiring individuals from certain targeted groups who have consistently faced significant barriers to employment (scheduled to expire after 2020)	Expand WOTC target hiring groups to include military spouses[31]	No proposal

Corporate and business tax proposals			
Issue	**Current law**	**Joe Biden**	**Donald Trump**
Employer credit for hiring individuals with disabilities	WOTC available to employers who hire individuals with physical or mental disabilities who are enrolled in or have completed certain prescribed vocational rehabilitation programs Disabled access credit provides nonrefundable credit for small businesses that incur expenditures to provide access to persons with disabilities Architectural barrier removal tax deduction encourages businesses to remove architectural and transportation barriers to the mobility of persons with disabilities and the elderly	Supports Disabled Access Credit Expansion Act (S. 2290), which would increase dollar limitation on disabled access credit to $20,500 (from $10,250), index limitation annually for inflation after 2020, and increase gross receipts limitation for an eligible small business to $2.5 million (from $1 million) Create new tax credit for employers who hire an individual with disabilities (up to $5,000 in first year and $2,500 in the second year); separate credit of up to $30,000 for employers that improve workplace accessibility[32]	Retain current law
Employment taxes, benefits, worker classification			
Payroll taxes	**Social Security:** 12.4% tax equally split between employers and employees on first $137,700 of wages (2020 cap, indexed for inflation) **Medicare:** 2.9% tax equally divided between employers and employees, with no income limit **Special rule for S corp shareholders:** Earnings distributed to shareholders of an S corporation are not considered self-employment income for purposes of payroll taxes	Expand Social Security tax to apply to wages >$400,000, creating a "donut hole" of untaxed wages between $137,700 and $400,000[33]	No specific proposals for permanent structural changes to payroll taxes Has called for forgiveness of employee-side Social Security taxes deferred under his August 8 directive to the Treasury Department (deferral generally applies to pre-tax biweekly wages of $4,000 or less or the equivalent for non-biweekly pay periods)[34] Has discussed possible additional payroll tax cut for employees, but has no formal proposals[35]
Employer-provided child care facilities	Employers may claim a tax credit equal to 25% of qualified expenses for employee child care and 10% of qualified expenses for child care resource and referral services; employer deductions for such expenses are reduced by the amount of the credit; maximum total credit limited to $150,000 per taxable year	Create new tax credit for employers who construct on-site child care facilities[36]	Retain current law
Worker classification	A worker's classification as an employee or independent contractor has significant implications in areas such as income tax withholding, Social Security and Medicare tax withholding and payments, unemployment taxes, and the provision of benefits	Make worker misclassification a substantive violation of law under all federal labor, employment, and tax laws, with additional penalties beyond those imposed for other violations Establish federal standard for classifying workers (modeled on California's three-pronged "ABC test") that would apply for all labor, employment, and tax laws[37]	Previous budget blueprints have called for creating a safe harbor allowing a business to declare certain service providers as independent contractors and requiring withholding of individual income taxes at a rate of 5% on the first $20,000 of payments[38]

Individual tax proposals compared

The table below provides an overview, based on the details available to date, of how former Vice President Biden and President Trump would address a variety of issues related to the taxation of individuals and how their respective proposals compare with current law. The policies outlined here are still being fleshed out and may be subject to significant refinement as the 2020 presidential campaign continues.

Individual income- and asset-based tax proposals

Issue	Current law	Joe Biden	Donald Trump
Ordinary income tax rates	Top rate of 37% through 2025 Additional 0.9% Medicare income tax applies to earned income >$250,000 for joint filers and $200,000 for single taxpayers	Restore top rate to 39.6%[1]	FY 2019, 2020, and 2021 budget blueprints assume permanent extension of current law[2] Has mentioned a rate cut for middle-income families as part of an eventual Tax Cuts 2.0 package, but has not offered a formal proposal[3]
Capital gains, dividends	20% tax rate applies to long-term capital gains and qualified dividends Additional 3.8% net investment income tax applies to individuals with income >$200,000 and joint filers with income >$250,000 Exclusion from capital gains tax for up to $250,000 single filers/$500,000 joint filers on qualifying home sales	Tax long-term capital gains and dividends at ordinary income rates for those with taxable income >$1 million[4]	Has expressed interest in capital gains tax relief either through a rate cut or by indexing gains related to certain capital assets for inflation, but has offered no formal proposal[5]
Carried interests	Treated as long-term capital gain if held for more than three years	Tax at ordinary rates[6]	Has said he wants to end favorable tax treatment, but has no formal proposal[7]
Passthrough income	Generally taxed at owner's individual rate with a 20% deduction under section 199A for domestic business profits; deduction expires after December 31, 2025	Phase out section 199A deduction for filers with income >$400,000[8]	Unclear if administration intends to make 199A deduction permanent

Individual income- and asset-based tax proposals			
Issue	**Current law**	**Joe Biden**	**Donald Trump**
Itemized deductions	Taxpayer may deduct the greater of (1) the standard deduction, or (2) the sum of the itemized deductions, with no cap ("Pease limitation") on the latter through 2025 State and local tax (SALT) payments deductible up to $10,000 (cap scheduled to expire after 2025)	Restore Pease limitation for those with income >$400,000; cap value of itemized deductions at 28%[9]	FY 2019, 2020, and 2021 budget blueprints assume permanent extension of current law[10]
Child and dependent care credit; other family caregiving incentives	Nonrefundable child and dependent care tax credit for 20–35% of cost of work-related care, up to $3,000 per child under 13 or older dependent, or $6,000 for two or more; phased down for households with income >$43,000	Increase maximum child and dependent care credit amount to $8,000 for one child or $16,000 for two or more (intended to cover up to one-half of a family's annual child care costs for children under age 13); phase out for families making between $125,000 and $400,000; make credit refundable[11] Create $5,000 tax credit to help informal caregivers cover expenses incurred in caring for other family members (elderly, those with disabilities or chronic health conditions, or military service members or veterans dealing with service-related illnesses or injuries)[12]	FY 2019, 2020, and 2021 budget blueprints assume permanent extension of current law[13]
Earned income tax credit	Refundable tax credit available to individuals with low to moderate income from wages—income limitations and other eligibility requirements apply	Expand eligibility rules to include workers age 65 and older[14]	No proposed changes to current law

Individual income- and asset-based tax proposals

Issue	Current law	Joe Biden	Donald Trump
Payroll taxes	**Social Security:** 12.4% tax is equally split between employers and employees on first $137,700 of employee's wages (the cap for 2020, indexed for inflation) **Medicare:** 2.9% tax is equally divided between employers and employees; no income limit applies **Special rule for S corp shareholders:** Earnings distributed to shareholders of an S corporation are not considered self-employment income for purposes of payroll taxes	Expand Social Security tax to apply to wages>$400,000, creating a "donut hole" of untaxed wages between $137,700 and $400,000; unclear if $400,000 threshold would be indexed for inflation[15]	No specific proposals for permanent structural changes to payroll taxes Has called for forgiveness of employee-side Social Security taxes deferred under his August 8 directive to the Treasury Department (deferral generally applies to pre-tax biweekly wages of $4,000 or less or the equivalent for non-biweekly pay periods[16] Has discussed possible additional payroll tax relief for employees, but has no formal proposals[17]
Retirement savings	IRA contributions fully deductible for those earning up to $65,000 single filers/$104,000 joint filers, then phased down for those earning up to $75,000/$124,000 Contributions limited to the lesser of $6,000 ($7,000 if age 50+) or taxable compensation for the year Penalties generally apply if funds are withdrawn before an account holder reaches age 59-1/2 (exceptions apply for certain emergencies and hardship situations)	"Equalize" tax treatment of defined contribution savings accounts[18] Allow caregivers to make "catch-up" contributions to retirement accounts even if not earning income in the formal labor market[19] Relax retirement account withdrawal rules to make it easier for domestic violence survivors to gain emergency access to retirement funds[20]	No proposals to change current law

Individual income- and asset-based tax proposals

Issue	Current law	Joe Biden	Donald Trump
Estate tax	40% estate, gift, and generation-skipping tax; basic exclusion of $10 million per taxpayer, adjusted annually for inflation ($11.58 million in 2020); increased exemption sunsets December 31, 2025 Step-up in basis applies to inherited assets	Has called for "returning the estate tax to 2009 levels," implying a 45% top rate and base exclusion of $3.5 million per taxpayer, indexed annually for inflation[21] Repeal stepped-up basis at death[22]	FY 2019, 2020, and 2021 budget blueprints assume permanent extension of current law[23]
Alternative energy (consumer incentives)	Tax credit of $2,500–7,500 for purchase of new electric vehicle, phased out when a manufacturer's sales reach 200,000 Tax credit for 10% of cost of homeowner's energy efficiency improvements, up to $500, through 2020 26% investment tax credit (ITC) for home owners installing renewable energy systems, phasing out through 2021 Subsidies paid by utility companies to residential customers who invest in energy conservation measures are excludable from a customer's income	Restore full electric vehicle tax credit and modify it to target middle-class consumers and prioritize purchase of American-made vehicles[24] Restore tax credit for residential energy-efficiency improvements[25] Restore solar ITC and make permanent[26]	FY 2020 and 2021 budget blueprints have called for repeal of qualified plug-in electric drive motor vehicle credit, ITC, credit for residential energy-efficient property, and income exclusion for utility conservation subsidies[27]
Housing costs	No tax on imputed rental income from own home Deduction for interest paid on up to $750,000 of mortgage debt Deduction for state and local taxes payments of up to $10,000	Establish advanceable and refundable First Down Payment tax credit of up to $15,000[28] Create renter's tax credit designed to reduce rent and utilities to 30% of income for low-income households[29] Create tax credit for families that renovate distressed properties in distressed communities[30]	Retain current law

Individual income- and asset-based tax proposals			
Issue	**Current law**	**Joe Biden**	**Donald Trump**
Health care costs	Refundable and advanceable premium tax credit for those enrolling in Affordable Care Act (ACA) marketplace plan and with income 100–400% of the federal poverty level for household size, capping premium spending based on income (top rate of 9.78% in 2020) Long-term care insurance premiums generally includable as eligible expenses for purposes of the itemized deduction for unreimbursed medical expenses	Expand ACA premium tax credit by eliminating income cap, capping premium spending at 8.5% of income, and increasing credit amount[31] Expand tax benefits for individuals who pay for long-term care insurance with retirement savings[32]	Supports general principles of transparency of health care costs, lowering drug costs, ending surprise medical billing, and increasing competition, but has no formal proposals
Tax-preferred savings vehicles for health care, disability expenses	Medical savings accounts and health savings accounts allow individuals to save on a tax-preferred basis to cover the cost of certain qualified medical and health care expenses ABLE accounts allow individuals who are blind or disabled to make contributions on a tax-deferred basis and use those funds to pay for certain "qualified disability expenses"; availability limited to individuals who develop blindness or disability before age 26	Supports ABLE Adjustment Act (S. 651), which would expand eligibility rules to make ABLE accounts available to individuals who develop blindness or disability before age 46[33]	Budget blueprints have proposed expanded access to tax-preferred health savings accounts and medical savings accounts[34]

Individual income- and asset-based tax proposals

Issue	Current law	Joe Biden	Donald Trump
Higher education expenses	Above-the-line deduction for interest on student loans for higher education for taxpayers with modified adjusted gross income below $80,000 ($160,000 for joint filers) Forgiven student-loan debt generally is includable in taxable income (subject to certain exceptions)	Reform income-based repayment program for undergraduate federal student loans by relaxing the repayment formula, providing for automatic loan forgiveness of unpaid loan amounts after 20 years (for borrowers with good repayment records), and providing that debt forgiven under the program will not be treated as taxable income[35]	Budget blueprints would allow health care workers who receive funds for qualified tuition and related expenses under the Indian Health Service Professions Scholarship Program, NURSE Corps, and Native Hawaiian scholarship and loan repayment programs to exclude those amounts from income in return for satisfying a service requirement; similar exclusion would be available for loan amounts forgiven under the Indian Health Service Loan Repayment Program and NURSE Corps[36]

Notes on corporate and business proposals

1. Joe Biden, "Build Back Better" speech, Dunmore, Pa., July 9, 2020; Democratic presidential primary debate, Las Vegas, Nev., February 20, 2020.
2. Called for 15% corporate minimum tax in the Democratic presidential primary debate, Las Vegas, Nev., February 20, 2020. Additional details in "Understanding Joe Biden's 2020 Tax Plan," Committee for a Responsible Federal Budget, Washington, D.C., July 30, 2020.
3. Brian Faler, "Trump wants to cut corporate rate again, Mulvaney says," *Politico*, February 28, 2020.
4. Joe Biden, "Build Back Better" speech; proposal to calculate GILTI on a country-by-country basis discussed in Biden campaign fact sheet released September 9, 2020.
5. "Offshoring tax penalty" and "Made in America" tax credit discussed in Biden campaign fact sheet released September 9, 2020. Other proposals discussed at joebiden.com, "The Biden plan to ensure the future is 'made in all of America' by all of America's workers."
6. Donald Trump, Campaign speech in Mankato, Minn., August 17, 2020; donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda," August 23, 2020.
7. Donald Trump, Campaign speech in Mankato, Minn.
8. Donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda."
9. Joebiden.com, "The Biden plan to ensure the future is made in all of America by all of America's workers"; "The Biden plan for climate change"; "The Biden plan to invest in middle-class competitiveness."
10. Jim Tankersley, "Trump Eyes New Tax Cuts for Next Stimulus Package," *New York Times*, May 5, 2020.
11. Donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda."
12. Joebiden.com, "21st century caregiving and education workforce"; Joe Biden, Child- and elder-care speech, New Castle, Del., July 21, 2020; Committee for a Responsible Federal Budget, "Understanding Joe Biden's 2020 Tax Plan."
13. Joebiden.com, "The Biden plan for housing" calls for tax increases on corporations and large financial institutions. A "risk fee" (or "fiscal crisis responsibility fee") on financial institutions with assets of $50 billion or more is specifically proposed in the updated Obama administration tax reform framework (2016) and in budget blueprints for FY 2011, 2012, 2013, 2014, 2015, 2016, and 2017.
14. Joebiden.com, "The Biden plan for climate change."
15. Joebiden.com, "The Biden plan to invest in middle-class competitiveness."
16. Ibid.
17. Joebiden.com, "The Biden plan to invest in middle-class competitiveness"; "The Biden plan for climate change."
18. Ibid.
19. Joebiden.com, "Build Back Better: Sustainable infrastructure and a clean energy future."
20. Office of Management and Budget, "A Budget for a Better America (Fiscal Year 2020): Analytical Perspectives," March 2019; "A Budget for America's Future (Fiscal Year 2021): Analytical Perspectives," February 2020.
21. Joebiden.com, "The Biden plan for older Americans and retirement"; "The Biden plan for health care."
22. Joebiden.com, "The Biden plan for older Americans and retirement"; "The Biden plan for health care"; "The Biden plan for opioids and substance use disorders."
23. Joebiden.com, "The Biden plan to ensure the future is 'made in all of America' by all of America's workers."
24. Donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda."
25. Joebiden.com, "Advancing racial equity across the American economy"; "Joe Biden's agenda for the Latino community."
26. Donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda" (includes general call to "expand Opportunity Zones").
27. Joebiden.com, "The Biden plan for housing"; "Lift every voice: The Biden plan for Black America"; "Advancing racial equity across the American economy"; "Joe Biden's agenda for the Indian American community"; "The Biden plan to invest in middle-class competitiveness."
28. Joebiden.com, "The Biden plan for housing"; "Lift every voice: The Biden plan for Black America."

29. Joebiden.com, "The Biden plan to ensure the future is 'made in all of America' by all of America's workers"; "The Biden plan to invest in middle-class competitiveness."
30. Donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda."
31. Joebiden.com, "The Biden plan for military families."
32. Both provisions discussed at Joebiden.com, "The Biden plan for full participation and equality for people with disabilities."
33. Joebiden.com, "The Biden plan for older Americans and retirement" (proposes to put Social Security "on a path to long-term solvency by asking Americans with especially high wages to pay the same taxes on those earnings that middle-class families pay"); Gordon B. Mermin, Surachai Khitatrakun, Chenxi Lu, Thornton Matheson, and Jeffrey Rohaly, "An analysis of former Vice President Biden's tax proposals," Tax Policy Center, Washington, D.C., March 5, 2020; Huaqun Li, Garrett Watson, and Taylor LaJoie, "Details and Analysis of Former Vice President Biden's Tax Proposals," Tax Foundation, Washington, D.C., April 2020; Committee for a Responsible Federal Budget, "Understanding Joe Biden's 2020 Tax Plan."
34. Donald Trump, "Memorandum on Deferring Payroll Tax Obligations in Light of the Ongoing COVID-19 Disaster," August 8, 2020.
35. Remarks by President Trump in press briefing, August 10, 2020 (mentions plans for possible additional cuts to payroll tax, capital gains rates, and middle-class taxes if reelected to office).
36. Joebiden.com, "Advancing racial equity across the American economy"; "21st century caregiving and education workforce"; Joe Biden, Child- and elder-care speech, New Castle, Del., July 21, 2020.
37. Both provisions discussed at Joebiden.com, "The Biden plan for encouraging unions and empowering workers."
38. Office of Management and Budget, "An American Budget (Fiscal Year 2019): Analytical Perspectives," February 2018; "A Budget for a Better America (Fiscal Year 2020): Analytical Perspectives," March 2019; "A Budget for America's Future (Fiscal Year 2021): Analytical Perspectives," February 2020.

Notes on individual tax proposals

1. Joebiden.com, "The Biden plan for health care."
2. Office of Management and Budget, "An American Budget (Fiscal Year 2019): Analytical Perspectives," February 2018; "A Budget for a Better America (Fiscal Year 2020): Analytical Perspectives," March 2019; "A Budget for America's Future (Fiscal Year 2021): Analytical Perspectives," February 2020.
3. Remarks by President Trump in press briefing, August 10, 2020 (mentions plans for middle-class tax cuts, additional payroll tax relief, and capital gains tax relief in second term); Remarks by President Trump in press briefing, August 8, 2020 (discusses memorandum to Treasury Secretary on temporary payroll tax deferral and other executive actions related to the coronavirus pandemic; mentions plans for additional middle-class tax cuts and capital gains tax relief in second term); Remarks by President Trump after Marine One arrival, March 3, 2020 (Q&A with reporters includes mentions of middle-class tax cuts and payroll tax cuts); Remarks by President Trump at a Business Roundtable, New Delhi, India, February 26, 2020 (mentions plans for "a fairly substantial cut" for the middle class); donaldjtrump.com, "Trump Campaign Announces President Trump's 2nd Term Agenda," August 23, 2020 (calls for tax cuts "to boost take-home pay and keep jobs in America").
4. Joebiden.com, "The Biden plan for health care"; "Joe Biden's agenda for the Catholic community"; Presidential primary debates, Washington, D.C., March 16, 2020; Las Vegas, Nev., February 20, 2020; Columbus, Ohio, October 15, 2019.
5. Remarks by President Trump in press briefing, August 10, 2020 (mentions plans for middle-class tax cuts, additional payroll tax relief, and capital gains tax relief in second term); Remarks by President Trump in press briefing, August 8, 2020 (discusses memorandum to Treasury Secretary on temporary payroll tax deferral and other executive actions related to the coronavirus pandemic; mentions plans for additional middle-class tax cuts and capital gains tax relief in second term).
6. Joe Biden, presidential campaign kick-off speech, Pittsburgh, Pa., April 29, 2019 (includes general calls to eliminate "special tax rates in the tax code that reward special interests" and to "get rid of capital gains loopholes"). Calls to change the tax treatment of carried interest income are included in the Obama administration tax reform framework (2016 update); in Obama administration budget blueprints for FY 2010, 2011, 2012, 2013, 2014, 2015, 2016, and 2017; and in the 2020 Democratic Party Platform.
7. Alex Brosseau, "Wyden proposes novel approach to taxing carried interest income," *Tax News & Views* (Deloitte Tax LLP) Vol. 20, No. 18, May 24, 2019 (cites President Trump's comments in a Fox News interview that he "would like to" repeal the current-law carried interest rules).
8. Huaqun Li, Garrett Watson, and Taylor LaJoie, "Details and Analysis of Former Vice President Biden's Tax Proposals," Tax Foundation, Washington, D.C., April 2020; Committee for a Responsible Federal Budget, "Understanding Joe Biden's 2020 Tax Plan," July 30, 2020.
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14. Joebiden.com, "The Biden plan for older Americans and retirement."
15. Joebiden.com, "The Biden plan for older Americans and retirement" (proposes to put Social Security "on a path to long-term solvency by asking Americans with especially high wages to pay the same taxes on those earnings that middle-class families pay"); Gordon B. Mermin, Surachai Khitatrakun, Chenxi Lu, Thornton Matheson, and Jeffrey Rohaly, "An analysis of former Vice President Biden's tax proposals," Tax Policy Center, Washington, D.C., March 5, 2020; Li, Watson, and LaJoie, "Details and Analysis of Former Vice President Biden's Tax Proposals"; Committee for a Responsible Federal Budget, "Understanding Joe Biden's 2020 Tax Plan."
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18. Joebiden.com, "The Biden plan for older Americans and retirement"; "Lift every voice: The Biden plan for Black America"; "Advancing racial equity across the American economy"; Mermin, Khitatrakun, Lu, Matheson, and Rohaly, "An analysis of former Vice President Biden's tax proposals" (suggests proposal would involve replacing the current-law deduction for IRA contributions with a refundable tax credit).
19. Joebiden.com, "The Biden plan for older Americans and retirement."

20. Joebiden.com, "The Biden plan to end violence against women."
21. Joebiden.com, "Highlights of Joe Biden's plans to support women during the COVID-19 crisis."
22. Joe Biden, presidential campaign kick-off speech.
23. Office of Management and Budget, "A Budget for a Better America (Fiscal Year 2020): Analytical Perspectives," March 2019; "A Budget for America's Future (Fiscal Year 2021): Analytical Perspectives," February 2020.
24. Joebiden.com, "The Biden plan for climate change"; "The Biden plan to invest in middle-class competitiveness."
25. Ibid.
26. Joebiden.com, "The Biden plan to invest in middle-class competitiveness."
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28. Joebiden.com, "Lift every voice: The Biden plan for Black America"; "Advancing racial equity across the American economy"; "Joe Biden's agenda for the Latino community."
29. Joebiden.com, "Advancing racial equity across the American economy"; "Joe Biden's agenda for the Latino community"; "The Biden plan for housing."
30. Joebiden.com, "Advancing racial equity across the American economy."
31. Joebiden.com, "The Biden plan for health care"; "The Biden plan for full participation and equality for people with disabilities"; "Lift every voice: The Biden plan for Black America"; "Joe Biden's agenda for the Catholic community"; "Joe Biden's agenda for the Latino community."
32. Joebiden.com, "The Biden plan for older Americans and retirement."
33. Joebiden.com, "The Biden plan for full participation and equality for people with disabilities."
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35. Joebiden.com, "The Biden plan for education beyond high school"; "Joe Biden's agenda for students."
36. Office of Management and Budget, "An American Budget (Fiscal Year 2019): Analytical Perspectives," February 2018; "A Budget for a Better America (Fiscal Year 2020): Analytical Perspectives," March 2019; "A Budget for America's Future (Fiscal Year 2021): Analytical Perspectives," February 2020.

Acknowledgments and contacts

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Tax Policy Group contacts

Jon Traub
Managing Principal, Deloitte Tax LLP
jtraub@deloitte.com

Victoria Glover
Partner, Deloitte Tax LLP
vglover@deloitte.com

Jeff Kummer
Managing Director, Deloitte Tax LLP
jkummer@deloitte.com