

GOP “BIG 6” UNIFIED FRAMEWORK

CATEGORY	CURRENT POLICY	“Big 6” Unified Framework
Individual Income Tax	Seven brackets: 10%, 15%, 25%, 28%, 33%, 35%, 39.6%	Three brackets: 12%, 25%, 35% (potential 4 th)
Standard Deduction	Individuals: \$6,350 Married FJ: \$12,700	Individuals: \$12,000 Married FJ: \$24,000
Personal Exemption	\$4,050 per person	Repealed
Child/Dependent Tax Credit	\$1,000 per child	Credit to increase but not specified (and increase income levels for phase out); create a \$500 tax credit for non-child dependents.
Alternative Minimum Tax	Limits certain tax deductions for higher income earners	Repealed
Tax on Capital Gains and Dividends	Top rate of 23.8%	No changes specified
Estate Tax	40% tax on estates with values greater than ~\$5.5 million (individuals) and ~\$11 million (joint)	Repealed
Itemized Deductions	Many deductions and other tax preferences allow individuals and businesses to reduce tax burden	Mortgage interest and charitable giving deductions unchanged; most other individual itemized deductions eliminated; does not expressly address state and local taxes
Corporate Income Tax	Top rate of 35%	Top rate of 20%; elimination of corporate AMT; elimination of section 199 for domestic manufacturers; partial limitation of interest deductions for c-corporations
Cost Recovery	Bonus depreciation (temporary); MACRS or straight-line	Expensing for capital investments made after 9/27/17 (for 5 years)
Pass-through Business Income	Same as individual income tax brackets	Top rate of 25% for “small and family-owned businesses”
International	Worldwide with tax deferral on active foreign income of foreign subsidiary	Territorial with minimum tax on foreign profits (no specifics on base erosion provisions); bifurcated rate structure for repatriated profits