

Provision		Description
<i>Corporate</i>		
	Corporate Tax Rate	Corporate revenue has fallen 40% since the 2017 Republican tax cuts. Increase the top corporate tax rate from 21% to a higher rate.
	International Reforms	Reform the international tax system. Reduce incentives to offshore assets and shift profits to tax havens through structural changes and rate increases for GILTI, FDII, and BEAT, and address other areas, such as inversions.
	Stock Buyback Excise Tax	Stock buybacks are projected to break records in 2021, surpassing their pre-pandemic highs. Apply an excise tax to publicly-traded corporations that buyback a significant amount of stock to reduce the benefits of tax arbitrage (compared to dividends) and stock price game-playing. Alternatively, can treat buybacks as "deemed" dividends to all shareholders.
	Corporate AMT	Establish a minimum corporate tax at 15 percent of a corporation's book income (determined under income tax principles), while continuing to allow certain net operating loss carryforwards and business tax credits.
	Highly compensated employees	Limit deduction for employee compensation to \$1 million or under.
	CEO pay disparity	Impose excise tax on corporations with CEO pay that exceeds certain ratios of the corporation's average worker pay.
<i>Individual</i>		
	Top Ordinary Tax Bracket	The 37% top ordinary tax rate expires at the end of 2025, returning to 39.6%. The proposal would reinstate the 39.6% rate next year.
	Cap gains rate	Under current law, capital gains rates for investors in the top tax bracket are effectively half of the ordinary tax rate on wages. Under the proposal, the capital gains rate would be conformed to the top individual tax rate for high income taxpayers (those in the top tax bracket). The proposal will not raise significant revenue if not paired with other capital gains changes like realization at death.

	Realization at death	<p>Require realization at death for transfers of property with untaxed gains in excess of \$5 million per person (\$10 million per couple). An additional \$500,000 per-couple exemption would apply for principal residences.</p> <p>Conversations continue with various offices about the design of a family farm exception, which would provide an exemption for the first \$25 million in family farm property per couple (in addition to the \$10 million per couple general exemption).</p>
	Carried interest	<p>Under current law, a fund manager generally only pays tax when income is realized by the partnership, often years down the road. This allows a fund manager to defer paying tax, and eventually pay tax at a preferential rate of 23.8 percent compared to the top rate of 40.8 percent for wage-like income. Under the bill, a manager is required to pay tax annually, taxed at ordinary rates and subject to self-employment taxes.</p>
	Modernization of Derivatives	<p>Under current law, sophisticated investors can use derivatives to reduce or avoid paying taxes on their underlying investments. This proposal requires investors to pay tax every year at wage rates, and aligns the tax rules for corporate investors in derivatives.</p>
	Net Investment Income Tax (NIIT) Fix	<p>Require taxpayers above \$400,000 to pay either employment HI tax or NIIT on all taxable income. This would close gaps and loopholes that exist today that allow taxpayers to avoid both HI and NIIT.</p>
	Estate Tax Reforms	<p>Eliminate the ability to avoid estate tax by disallowing the use of certain trust planning techniques, including Grantor-Retained Annuity Trusts (GRATs) and Intentionally-Defective Grantor Trusts (IDGTs). Would also include language compelling Treasury to update regulations to prevent the abuse of non-economic valuation discounts.</p>
	199A Reforms	<p>2017 bill provided a 20% deduction for certain income from pass-through business, and 61% of the monetary benefit goes to the top 1%. The proposal gives middle-income business owners Republicans excluded from the benefit a new tax cut by removing complex calculations and limitations. By phasing out the benefit for individuals earning more than \$400,000 in taxable income, the proposal raises significant revenue while providing a new tax cut for Main Street small business owners.</p>

	Excess Loss Limitation	Limits active business losses from offsetting other income in excess of \$500,000 (\$250,000 single). Losses carry forward to the next tax year as net operating losses. This provision was enacted as part of the Republican 2017 tax law with an expiration of 12/31/2015. We extended for 1 year in ARP.
	Mark-to-market for Billionaires	End the ability of billionaires to defer taxes for decades, if not indefinitely, by requiring they pay tax annually. Require applicable taxpayers to pay tax on unrealized gains and losses on publicly traded assets like stock and require a deferral charge (essentially an interest accrual on the tax deemed to accrue while the taxpayer held the asset) at time of sale or disposition for assets that are not easy to value without a transaction (e.g., real estate). This proposal would apply to an estimated 600 people and raise hundreds of billions.
	Mega retirement accounts	In the past decade, the number of mega-IRA accounts with more than \$5 million in assets tripled. More than \$15 billion is held by just 156 individuals. By comparison, the average account balance for middle-class Americans is \$39,000. Require taxpayers to distribute retirement account balances that exceed certain thresholds.
<i>Tax Gap</i>		
	Increased Funding for the IRS	Would increase IRS funding by \$80B over ten years to improve enforcement against wealthy taxpayers. Could raise as much as \$200 billion on net.
	Bank Reporting	Would require financial institutions to report to the IRS gross inflows and outflows on accounts with more than \$600 of annual inflows / outflows. (We are flexible on raising the minimum account balance/inflow/outflow above \$600).
	Misc. Reporting Reforms	Set minimum standards for paid tax preparers.
	Conservation Easements	Disallows charitable deductions where the amount of the deduction claimed exceeds 250% of the amount of the investments attributable to the property that is the subject of the easement. Cracks down on overly inflated valuations.
	Pass-through Reforms	Reduce optionality and close various partnership tax loopholes.
<i>Other Policies</i>		

	Plastics Excise Tax	Impose a \$.20 per pound fee on the sale of virgin plastic used to make single-use plastics, which are routinely disposed of as trash or end up in marine ecosystem as marine debris.
	Carbon Pricing	<p>Major options include:</p> <ol style="list-style-type: none"> 1) a per-ton tax on the carbon dioxide content of leading fossil fuels (e.g., coal, oil, natural gas) upon extraction, starting at \$15 per ton and escalating over time, 2) a tax per ton of carbon dioxide emissions assessed on major industrial emitters (e.g., steel, cement, chemicals), and 3) a per-barrel tax on crude oil. <p>Each option would be paired with rebates or other direct relief for low-income taxpayers, as well as a border adjustment to ensure foreign companies also pay the tax.</p>
	Fossil Fuels	Repeal major tax subsidies for fossil fuels, including tax credits and accelerated tax deductions for extraction, preferential treatment of foreign income, and ability to avoid corporate income tax for pipeline companies.