

Highlights of the Unified Tax Reform Framework

Doubles the Standard Deduction - Expanding the 0% Tax Bracket

The framework allows working families to keep more of their paychecks. Doubling the standard deduction will simplify tax filing and effectively create a larger “zero tax bracket” by eliminating taxes on the first \$24,000 of income earned by a married couple and \$12,000 earned by a single individual.

Lowers Rates for Individuals and Families

The framework shrinks the current seven tax brackets into three – 12%, 25% and 35%. A simpler, fairer tax code with just three individual tax brackets instead of seven will better reward Americans’ hard work and allow them to keep more of their paychecks.

Eliminates Tax Loopholes, Protects Bedrock Provisions for Middle Class

To provide simplicity and fairness the framework eliminates many itemized deductions, but retains tax incentives for home mortgage interest and charitable contributions, as well as tax incentives for work, higher education, and retirement security.

Expands the Child Tax Credit

Significantly increases the Child Tax Credit and increases the income levels at which the credit begins to phase out, making the credit available to more middle-income families.

Repeals the Death Tax and Alternative Minimum Tax (AMT)

The framework repeals the unfair Death Tax and substantially simplifies the tax code by repealing the existing individual AMT, which requires taxpayers to do their taxes twice.

Creates a New Lower Tax Rate and Structure for Small Businesses

The framework limits the maximum tax rate for small and family-owned businesses to 25% - significantly lower than the top rate that these businesses pay today.

To Create Jobs and Promote Competitiveness Lowers the Corporate Tax Rate

So that America can compete on level playing field, the framework reduces the corporate tax rate to 20% – below the 22.5% average of the industrialized world.

To Boost the Economy, Allows “Expensing” of Capital Investments

The framework allows, for at least five years, businesses to immediately write off (or “expense”) the cost of new investments, giving a much-needed lift to the economy.

Moves to an American Model for Competitiveness

The framework ends the perverse incentive to offshore jobs and keep foreign profits overseas. It levels the playing field for American companies and workers.

Brings Profits Back Home

The framework brings home profits by imposing a one-time, low tax rate on wealth that has already accumulated overseas so there is no tax incentive to keeping the money offshore.