



Caution: Tax Changes Ahead



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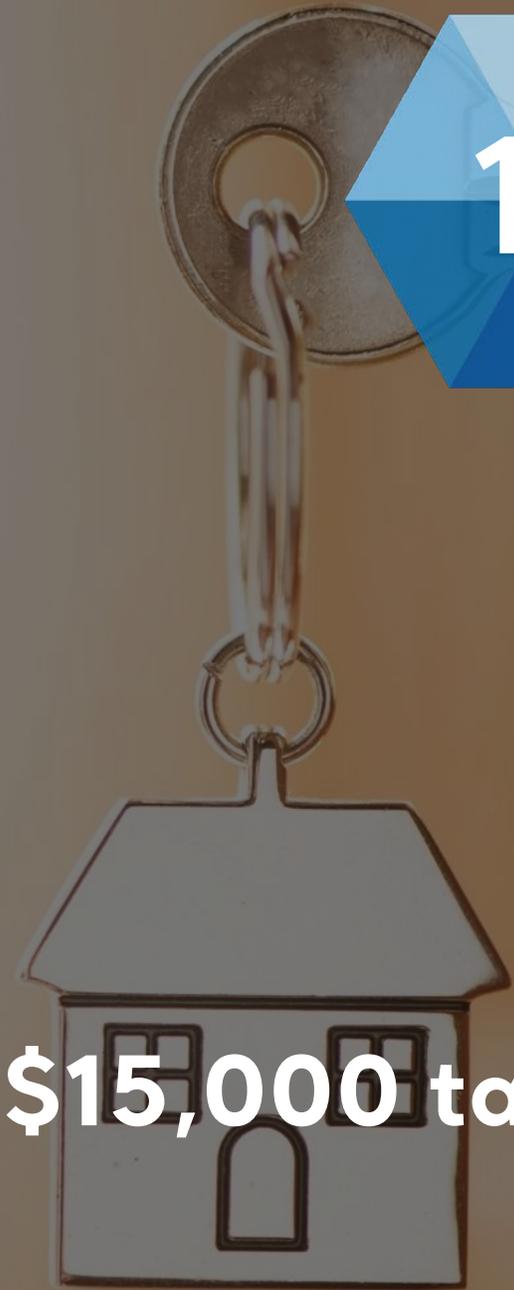
Top 15 Tax Changes To Be Aware Of



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- What's likely to happen?
 - What could happen and why?
 - What's unlikely to happen?

- ▶ **Increase child tax credit and child and dependent care credits**

- ▶ **Restore first-time homebuyer \$15,000 tax credit**



A group of seven people are silhouetted against a bright, orange and yellow sunset sky. They are standing on a grassy hill, and their arms are raised in celebration. The overall mood is joyful and triumphant.

▶ **Provide limited student-loan debt forgiveness**



▶ **Increase RMD age to 75**

- ▶ **Increase estate tax rate from 40% to 45%**



- ▶ **Phase out passthrough business deductions for high-income taxpayers**



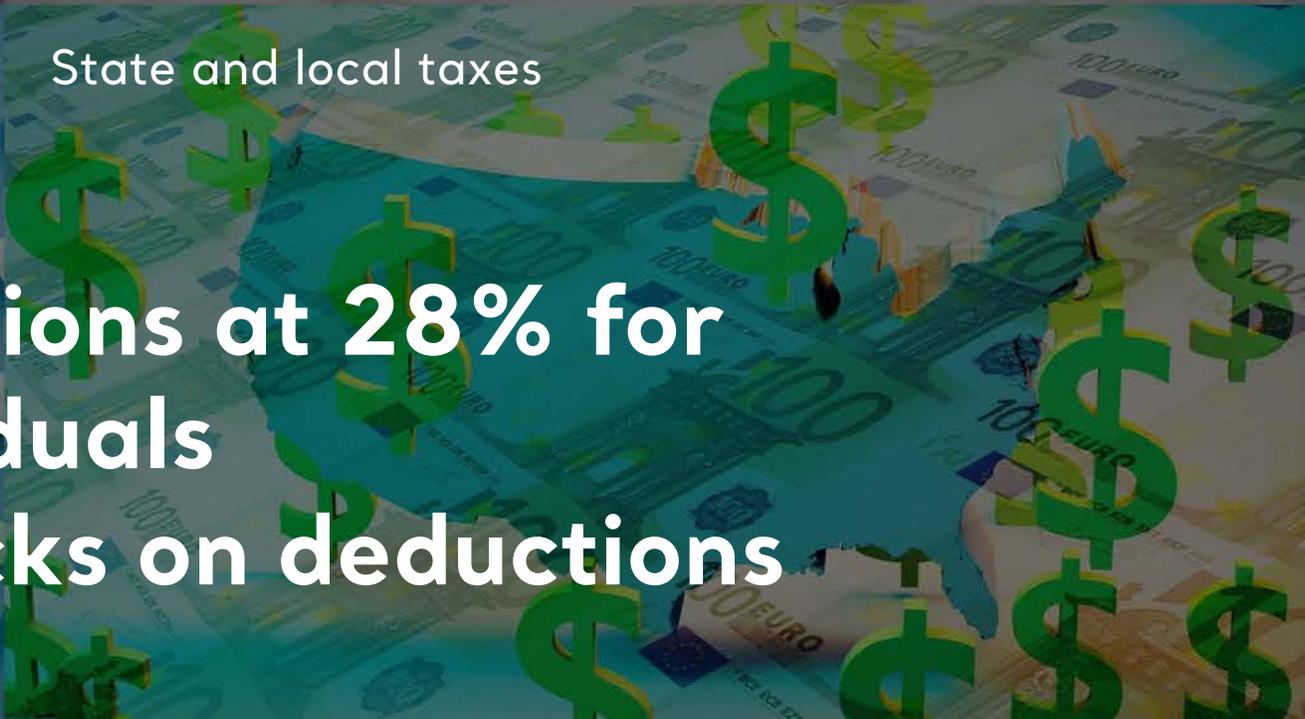
Mortgage interest



Charitable donations



Unreimbursed medical expense



State and local taxes

- ▶ Cap itemized deductions at 28% for upper-income individuals
- ▶ Impose other cutbacks on deductions

- ▶ **Eliminate/modify \$10,000 cap on itemized deductions for state and local taxes**



\$400,000

37%



39.6%

- ▶ **Increase the top individual federal income rate on ordinary income and net short-term capital gains**



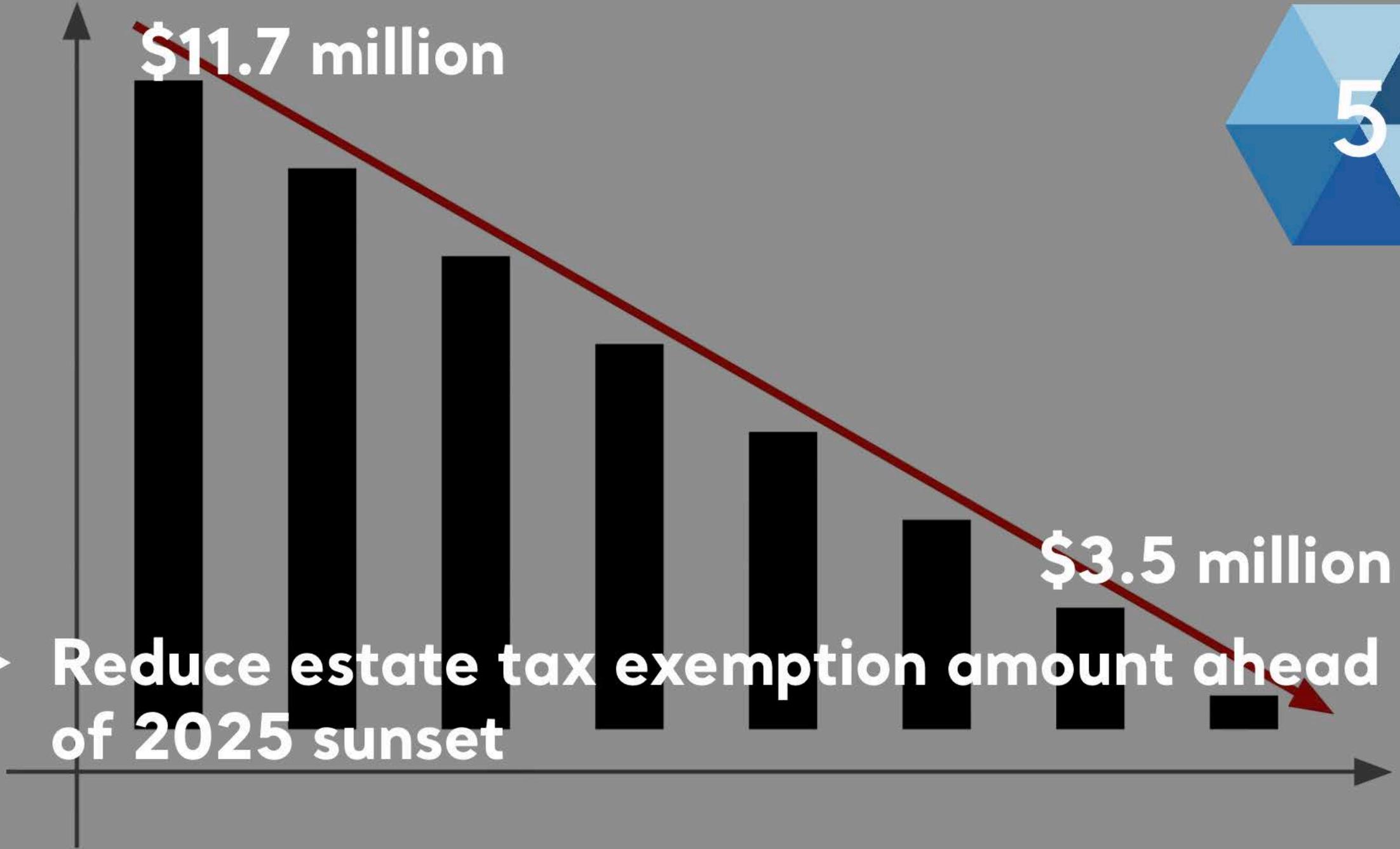
- ▶ **Raise corporate tax rates to 28%**
- ▶ **15% AMT on book income over \$100M**



\$11.7 million

\$3.5 million

▶ **Reduce estate tax exemption amount ahead of 2025 sunset**





- ▶ **Create new tax credit for retirement savings – 26% tax credit for each \$1 contributed**

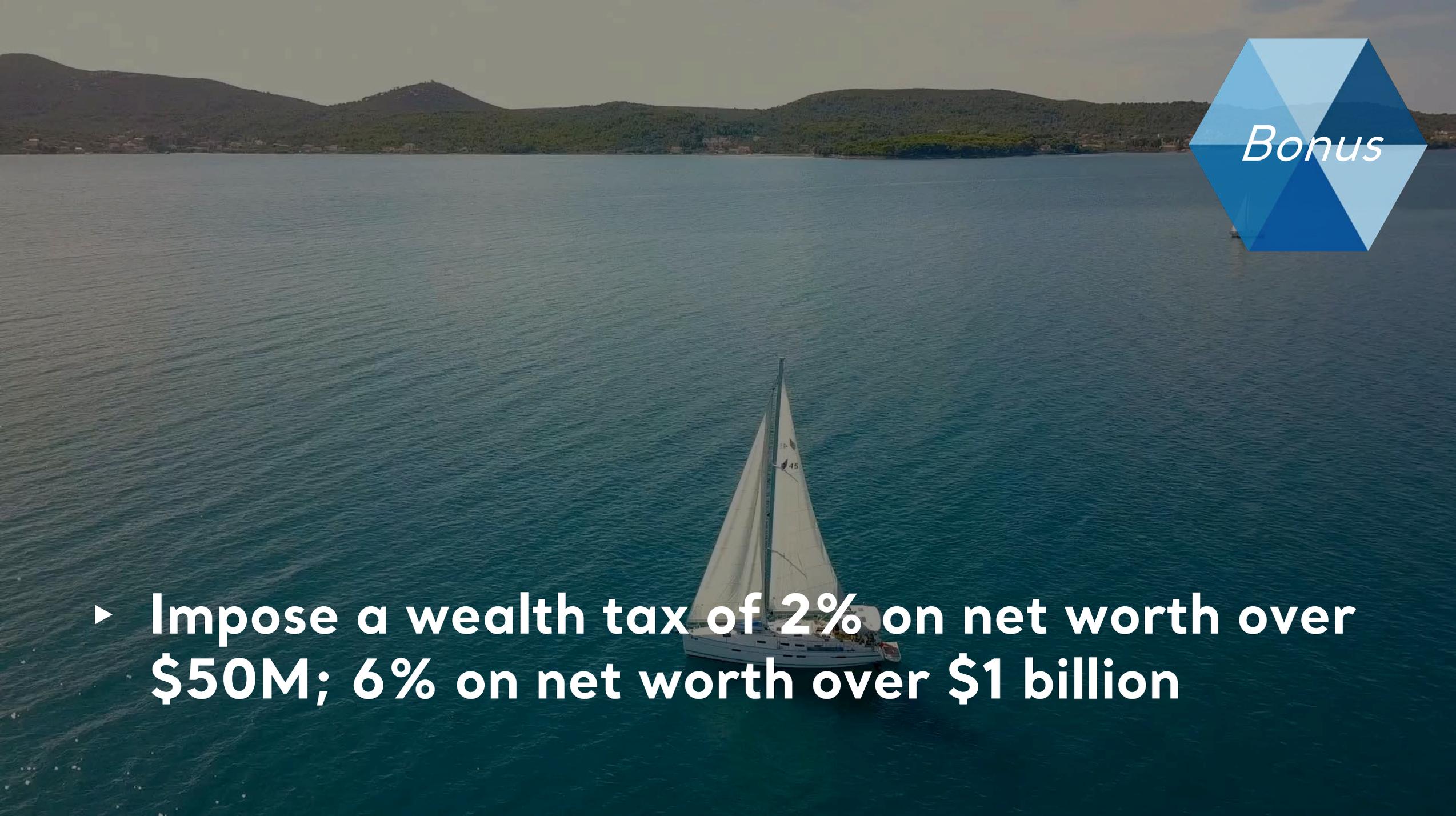


- ▶ **Restart the 12.4% Social Security tax on wages and net self-employment income above \$400,000**

- ▶ **Higher maximum rate on long-term capital gains and qualified dividends: those with incomes above \$1 million would be taxed at 39.6% maximum rate**



▶ **Eliminate basis step-up for inherited assets**



Bonus

- ▶ **Impose a wealth tax of 2% on net worth over \$50M; 6% on net worth over \$1 billion**

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Q & A



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