

2024 Presidential Candidate Tax Comparison

Harris vs. Trump Tax Proposals

As of September 13, 2024

****The tables are not exhaustive and do not cover every policy position or all aspects of either candidate's legislative record. They are meant to identify some of the most significant tax proposals and policy differences as of Sept. 13****

Business Tax Provisions

Current Federal Tax Policy	Kamala Harris' Proposal	Donald Trump's Proposal
Corporate income tax rate. Under current law, C corporations are permanently subject to a flat 21% tax rate.	Increase the rate to 28%.	Decrease the rate to 15%.
QBI deduction. Under current law, a deduction of up to 20% qualified business income (QBI) is available for sole proprietors and owners of "pass-through" entities through 2025. Various rules and restrictions apply.	No proposed changes have been announced.	Extend the TCJA provision or make it permanent.
Bonus depreciation. Under current law, 60% first-year bonus depreciation is available for qualified new and used property that's placed in service in calendar year 2024. The percentage decreases to 40% in 2025 and 20% in 2026. The program is scheduled to sunset in 2027. (Note: The phase-out schedule is delayed by one year for certain aircraft and assets with longer production periods.)	No proposed changes have been announced.	Reinstate 100% first-year bonus depreciation or make it permanent.
Cap on executive compensation. Under current law, public companies can't deduct compensation above \$1 million for amounts paid to principal executive officers annually. No exceptions are permitted for performance-based compensation or commissions.	Expand scope to any covered employees for as long as they receive compensation from the company and eliminate stock option exemption.	No proposed changes have been announced.
Like-kind exchanges. Under current law, favorable tax treatment is no longer allowed for Section 1031 exchanges of personal property.	Eliminate like-kind exchange treatment for real property.	No proposed changes have been announced.

Business Tax Provisions

Current Federal Tax Policy	Kamala Harris' Proposal	Donald Trump's Proposal
Corporate AMT. The TCJA permanently eliminated the corporate alternative minimum tax (AMT). The Inflation Reduction Act (IRA) created a permanent corporate AMT of 15% for corporations with average annual financial statement income exceeding \$1 billion.	Increase the new AMT rate to 21%.	Eliminate the new AMT under the IRA.
Excise tax on stock buybacks. Corporate stock repurchases are currently subject to a 1% excise tax under the IRA.	Increase the rate to 4%.	No proposed changes have been announced.
Start-up expenses. Under current law, new businesses can deduct up to \$5,000 of start-up expenses in the first year and deduct the remaining start-up costs over a period of years.	Give profitable start-ups the option to deduct up to \$50,000 of start-up costs in the first year.	No proposed changes have been announced.
Global minimum tax. President Biden signed a global minimum tax agreement in 2021. It requires large multinationals operating in more than 140 countries (including the United States) to pay at least 15% tax on foreign earnings.	Introduce a 21% minimum tax on foreign earnings by U.S. multinationals.	No proposed changes have been announced.
Tariffs on imports. Under current law, the United States imposes tariffs on certain foreign-made goods.	No proposed changes have been announced.	Impose a 60% tariff on Chinese imports and a 10% universal baseline tariff on all other imports (except vehicles, which would be subject to different rates).

Individual Tax- Expiring TCJA Provisions

Many individual tax provisions under the Tax Cuts and Jobs Act (TCJA) are scheduled to expire in 2026. Notable examples are:

Current Federal Tax Policy	Kamala Harris' Proposal	Donald Trump's Proposal
<ul style="list-style-type: none"> • Lower marginal tax rates, • Increased standard deductions, • Elimination of personal and dependent exemptions, • \$500 nonchild dependent credit, • \$10,000 limit on itemized deduction for state and local taxes, • Limitations on itemized deductions for home mortgage interest, • Elimination of itemized deductions for miscellaneous expenses, hobby expenses, moving expenses, and personal casualty and theft losses (except in federally declared disasters), • Elimination of tax-free employer reimbursements for moving expenses (except for certain military personnel), • Favorable individual AMT rules, and • Expanded estate and gift tax exemption. 	<ul style="list-style-type: none"> • Extend or make permanent TCJA tax cuts for people with annual incomes under \$400,000. • Increase the marginal tax rate for single filers with annual incomes above \$400,000 (\$450,000 for couples) to 39.6% (the pre-TCJA rate for the highest tax bracket). 	<ul style="list-style-type: none"> • Make the TCJA's tax cuts permanent (including the higher standard deduction and the expanded estate and gift tax exemption). • Reduce individual taxes further (without specifying particular provisions).
<p>Child tax credit \$2,000</p>	<p>Increase the child tax credit to \$6,000 for the first year of life, \$3,600 for qualifying children ages two to six and \$3,000 for all other qualifying children.</p>	<p>Increase the child tax credit to \$5,000.</p>

Individual Tax Provisions

Current Federal Tax Policy	Kamala Harris' Proposal	Donald Trump's Proposal
Step-up in tax basis for estates. Under current law, the tax basis for inherited assets increases to the fair market value at the time of the decedent's death (or the "alternate valuation" date of six months after the date of death).	Eliminate stepped-up basis and instead impose capital gains tax on unrealized gains based on the decedent's tax basis in the asset (with certain exemptions for surviving spouses, family businesses and residences).	No proposed changes have been announced.
Earned income tax credit. Under current law, low-income taxpayers may be eligible for the refundable earned income tax credit.	Expand the credit (without specifying the amounts).	No proposed changes have been announced.
Premium tax credit. Under current law, certain lower-income individuals may be eligible for a refundable tax credit to help them afford health insurance paid through the Health Insurance Marketplace.	Make the credit permanent.	No proposed changes have been announced.
Additional Medicare tax. Under current law, employers must withhold additional Medicare tax at a rate of 0.9% of wages that exceed \$250,000 for married couples filing jointly, \$125,000 for married individuals filing separately and \$200,000 for all other taxpayers.	Increase the rate to 5% on earnings above \$400,000.	No proposed changes have been announced.
Net investment income tax. Under current law, individuals, estates and trusts must pay a 3.8% surtax on the lesser of net investment income or the amount by which modified adjusted gross income exceeds the applicable threshold.	Increase the rate to 5% for investment income over \$400,000.	No proposed changes have been announced.

Individual Tax Provisions

Current Federal Tax Policy	Kamala Harris' Proposal	Donald Trump's Proposal
Tax breaks for first-time and new homeowners. Under current law, there are no specific tax deductions or credits for first-time or new homebuyers, beyond the itemized deductions that are currently available to all qualifying homeowners.	Provide a \$10,000 mortgage-relief tax credit for first-time homebuyers and those selling their first homes, as well as \$25,000 in down-payment assistance for buyers from families that haven't previously owned homes.	Provide tax incentives for first-time buyers (without providing specific details).
Taxes on tips & Overtime pay. Under current law, employees who receive \$20 or more in tips per month must report them to their employers. Tips must be reported in taxable income, subject to ordinary income tax rates. Additionally, employers and employees must pay payroll taxes on tip income.	Eliminate income taxes on tip income for restaurant and hospitality workers, subject to rules and restrictions to exclude wealthy individuals.	Eliminate income and payroll taxes on tip income for restaurant and hospitality workers. Eliminate taxes on overtime pay over 40 hours per week.
Taxes on Social Security. Under current law, Social Security benefits may be taxable for individuals with income above applicable thresholds.	No proposed changes have been announced.	Eliminate income taxes of Social Security benefits.
EV credits. Under current law, buyers of qualifying electric vehicles (EVs) may be eligible for a tax credit of up to \$7,500.	No proposed changes have been announced.	Eliminate the EV credit.
Capital gains tax. Under current law, capital gains tax is owed on sales of certain assets, such as investments and business interests. The highest long-term capital gains tax rate is 20%, but most people pay 15% or no tax on capital gains.	<ul style="list-style-type: none"> • Require people whose net worth exceeds \$100 million to pay a tax of at least 25% of their income and their unrealized capital gains. • Change the long-term capital gains rate to 28% for individuals with income above \$1 million. 	No proposed changes have been announced.

Stay Tuned



Important: Congress enacts federal tax legislation, not the President. So, the candidates' proposals may not necessarily become law, even if the proponent wins the election in November. In addition, the candidates may change their positions or provide more details while campaigning this fall.

Rest assured, [our team of global tax specialists](#) is monitoring the candidates' positions to provide our clients with the best possible tax planning advice for the coming year.

[Contact our tax team](#) to set up a meeting to brainstorm financial planning strategies to help you and your business.