AMERICANS FOR TaxFairness

COMPARING THE TRUMP & RYAN TAX PLANS

President-elect Donald Trump and House Speaker Paul Ryan have tax plans that will cost trillions of dollars, give huge tax breaks to corporations and the wealthy, and to pay for these tax cuts either explode the deficit or require deep and painful cuts to public services. A detailed comparison of their plans is below. Unless otherwise sourced this way, all **10-year revenue estimates** are from the Tax Policy Center's "An Analysis of Donald Trump's Revised Tax Plan" (issued Oct. 18, 2016) and "An Analysis of the House GOP Tax Plan" (issued Sept. 16, 2016).

	TRUMP	RYAN
Total Revenue Lost & Overall Effects	• **Loses $6.2 trillion over 10 years. Increases the deficit by $7.1 trillion.** • Top 0.1% of households get a $1.1 million tax cut each year, on average, and 24% of all tax cuts. • Top 1% get a $215,000 tax cut each year, on average, and nearly half (47%) of all tax cuts. • Middle-income families get a $1,000 tax cut; bottom 20% get a $110 tax cut.	• **Loses $3.1 trillion over 10 years. Increases the deficit by $3.6 trillion.** • Top 0.1% of households get a $1.3 million tax cut each year, on average, and 47% of all tax cuts. • Top 1% get a $213,000 tax cut each year, on average, and 99% of all tax cuts by 2025. • Middle-income families get a $260 tax cut; bottom 20% get a $50 tax cut.
Taxing Corporations: General Tax Rates	**Slashes the corporate tax rate by 60%—from 35% to 15%, which loses $2.4 trillion.**	**Slashes the corporate tax rate by more than 40%—from 35% to 20%, which loses $1.8 trillion.** To make up for some of that lost revenue, Ryan's plan effectively imposes a 20% sales tax on all imported goods, costs expected to be passed on to consumers.
Taxing Corporations: Treatment of Offshore Profits	**Taxes $2.6 trillion in existing offshore cash profits at a 10% rate (and just 4% on non-cash assets), minus foreign taxes paid.** This would raise about $150 billion—**$600 billion less than the** roughly $750 billion that could be raised by applying the existing 35% corporate tax rate to those profits.	**Taxes $2.6 trillion in existing offshore cash profits at an 8.75% rate (and just 3.5% on non-cash assets), minus foreign taxes paid.** This would raise less than $140 billion—**about $600 billion less than the** roughly $750 billion that could be raised by applying the existing 35% corporate tax rate to those profits.
Taxing Pass-Through Entities: The "Trump Loophole"	**Loses nearly $1.5 trillion by reducing the top tax rate on hedge funds and other "pass-through" businesses from nearly 40% to just 15% (and to 20% on larger pass-throughs).** This would personally benefit Trump who is the sole or principal owner of 500 pass-through entities. This tax break has been appropriately dubbed the "Trump Loophole."	**Loses $413 billion by cutting taxes on owners of hedge funds and other "pass-through" businesses from nearly 40% to 25%.** Many Wall Street firms, law practices and other big-money outfits organize as partnerships or other business entities, known as "pass-throughs," allowing them to pay their business taxes at individual rates.
Tax Cuts for the Wealthy: Income Tax Rates	**Cuts individual tax rates, losing $1.5 trillion, with a significant share benefitting the wealthy.** • Cuts top tax rate from roughly 40% to 33% on annual incomes of about half a million dollars or more. • *Raises* taxes on nearly 9 million mostly low-and middle-income families with children, including more than half of all single parents.	**Cuts individual tax rates, losing $1.5 trillion, with a significant share benefitting the wealthy.** • Cuts top tax rate from roughly 40% to 33% on annual incomes of about half a million dollars or more.
Tax Cuts for the Wealthy: Capital Income	**Provides a $145 billion capital gains tax cut to the wealthy.** Eliminates the 3.8% tax on investment income above $250,000 per couple under the Affordable Care Act, lowering the top rate to 20%.	**Cuts taxes on capital income by nearly $500 billion, mostly benefitting the wealthy.** In figuring their taxes, taxpayers could exclude half their income from interest, dividends (one-third of which go to top 0.1%), and capital gains (one-half go to top 0.1%; over three-quarters to the top 1%).
Tax Cuts for the Wealthy: Inheritance	**Eliminates estate and gift taxes, losing $174 billion.** Slightly reduces lost revenue by requiring wealthy heirs to immediately pay capital gains taxes on inherited assets, with a $10 million exemption. If Trump is worth $10 billion as he claims, his heirs could see their inheritance increase by billions of dollars.	**Eliminates estate and gift taxes, losing $187 billion.** Does *not* require heirs to immediately pay capital gains taxes on inherited assets, thus allowing those gains to go forever untaxed. The estate tax currently only affects estates worth more than $5.5 million, or the richest 1 in 500 estates.