TAX REFORM PROPOSALS IN THE 2016 DEMOCRATIC PARTY PLATFORM ARE MOST PROGRESSIVE IN MODERN HISTORY

2016 DEMOCRATIC PARTY PLATFORM
July 8-9, 2016

NOTABLE TAX PROVISIONS SUPPORTED

Taxing the Wealthy
• Multimillionaire surtax
• Improved estate tax
• Buffet rule instituted
• Carried interest tax break repealed
• Increasing payroll taxes on income above $250,000 to fund Social Security
• Financial transactions tax, but recognizes a diversity of opinion in the caucus

Taxing Corporations
• Ending tax breaks to ship jobs overseas
• Crackdown on corporate inversions
• No tax deferrals on corporate profits held abroad
• Ending tax breaks for big oil and gas and provide credits for renewables

Other
• Expanded Earned Income Tax Credit (EITC) and Child Tax Credit (CTC)
• Repeal of the 40% tax on higher cost health insurance plans
• Tax relief for the middle class
• Expanded New Markets Tax Credit
• Tax relief for small businesses

SPECIFIC TAX POLICY STATEMENTS

Making the Wealthy Pay Their Fair Share of Taxes (p. 11): At a time of massive income and wealth inequality, we believe the wealthiest Americans and largest corporations must pay their fair share of taxes. Democrats will claw back tax breaks for companies that ship jobs overseas, eliminate tax breaks for big oil and gas companies, and crack down on inversions and other methods companies use to dodge their tax responsibilities. We will make sure that our tax code rewards businesses that make investments and provide good-paying jobs here in the United States, not businesses that walk out on America. We will end deferrals so that American corporations pay United States taxes immediately on foreign profits and can no longer escape paying their fair share of U.S. taxes by stashing profits abroad. We will then use the revenue raised from fixing the corporate tax code to reinvest in rebuilding America and ensuring economic growth that will lead to millions of good-paying jobs.
We will ensure those at the top contribute to our country’s future by establishing a multimillionaire surtax to ensure millionaires and billionaires pay their fair share. In addition, we will shut down the “private tax system” for those at the top, immediately close egregious loopholes like those enjoyed by hedge fund managers, restore fair taxation on multimillion dollar estates, and ensure millionaires can no longer pay a lower rate than their secretaries. At a time of near-record corporate profits, slow wage growth, and rising costs, we need to offer tax relief to middle-class families—not those at the top.

Democrats believe that no one should be able avoid paying their fair share by hiding money abroad, and that corrupt leaders and terrorists should not be able to use the system of international finance to their advantage. We will work to crack down on tax evasion and promote transparency to fight corruption and terrorism. And we will make sure that law-abiding Americans living abroad are not unfairly penalized by finding the right solutions for them to the requirements under the Foreign Account Tax Compliance Act (FATCA) and Report of Foreign Bank and Financial Accounts (FBAR).

We will offer tax relief to hard working, middle-class families for the cost squeeze they have faced for years from rising health care, childcare, education, and other expenses. Donald Trump and the Republican Party would do the opposite and provide trillions in tax cuts for millionaires, billionaires, and corporations at the expense of working families, seniors, and the health of our economy.

Protecting and Expanding Social Security (p. 6): We will make sure Social Security’s guaranteed benefits continue for generations to come by asking those at the top to pay more, and will achieve this goal by taxing some of the income of people above $250,000.

Ensuring a Secure and Dignified Retirement (p. 6): Democrats will also fight to enact legislation to make sure that the earned pension benefits of Americans will not be cut, and will pay for it by closing tax loopholes that benefit millionaires and billionaires.

Fostering a Manufacturing Renaissance (p. 7): We must revitalize hard-hit manufacturing communities; create thriving hubs of manufacturing and innovation throughout the country; and claw back tax breaks for companies that ship jobs overseas, using the proceeds to reinvest in communities and workers at home instead.

Supporting America’s Small Businesses (p. 9): We will provide tax relief and tax simplification.

Reining in Wall Street and Fixing our Financial System (p. 10): We support a financial transactions tax on Wall Street to curb excessive speculation and high-frequency trading, which has threatened financial markets. We acknowledge that there is room within our party for a diversity of views on a broader financial transactions tax.

Guaranteeing Rights for People with Disabilities (p. 17): We will provide tax relief to help the millions of families caring for aging relatives or family members with chronic illnesses or disabilities.
Investing in Rural America (p. 18): We will expand access to equity capital for businesses and expand the New Markets Tax Credit to better serve rural small businesses.

Ending Poverty and Investing in Communities Left Behind (p. 18): The Earned Income Tax Credit (EITC) program should be expanded for low-wage workers not raising children, including extending the credit to young workers starting at age 21. The Child Tax Credit (CTC) should be expanded, for example, by making more of it refundable, or indexed to inflation to stem the erosion of the credit. We will expand and make permanent the New Markets Tax Credit.

Strengthening Management of Federal Government (p. 23): We will also ensure that new spending and tax cuts are offset so that they do not add to the nation’s debt over time.

Building a Clean Energy Economy (pp. 24-25): Democrats believe the tax code must reflect our commitment to a clean energy future by eliminating special tax breaks and subsidies for fossil fuel companies as well as defending and extending tax incentives for energy efficiency and clean energy.

Securing Universal Health Care (p. 30): We will repeal the excise tax on high-cost health insurance and find revenue to offset it because we need to contain the long-term growth of health care costs, but should not risk passing on too much of the burden to workers.

Anti-Corruption (p. 42): We will also seek to close offshore tax havens, which corrupt rulers, individuals, and corporations exploit to shelter ill-gotten gains or avoid paying taxes at home.