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Although no firm deadline for tax reform was set, Mnuchin indicated that the White House hopes to pass a significant tax law "as soon as possible." In the meantime, the Trump administration promises to provide more insights into its revised plan in June.

Apr. 27, 2017



With much fanfare, President Trump's revised tax reform plan was unveiled on April 26, presented to the press corps by Treasury Secretary Steven Mnuchin and National Economic Council Director Gary Cohn. The duo's announcements included broad outlines for tax cuts, repeals of certain provisions and sweeping business changes, but was short on details. Many of the proposals mirror or closely resemble those previously made by Trump while stumping on the campaign trail or during his first three months in office.

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15%. This is designed to stimulate business growth and would result in increased tax revenue, according to the White House.

- Instead of being taxed at individual income tax rates, owners of pass-through entities like S corporations and partnerships, as well as self-employed taxpayers, would be taxed at the 15% corporate rate.
- The standard deduction would be doubled from its current levels to \$12,700 for single filers and \$25,400 for joint filers. As a result of this proposal and related changes, it's likely more taxpayers would choose the standard deduction over itemizing.
- Accordingly, all itemized deductions would be repealed, except for the "sacred cows" of charitable contributions and mortgage interest. Mnuchin commented that this change would "close loopholes" and offset the lower tax rates for upper-income taxpayers.
- The alternative minimum tax (AMT) system would be completely wiped out. This would reduce the tax impact of the loss of itemized deductions for some upper-income taxpayers.
- The tax calculation for "net investment income" (NII), which was authorized by the Affordable Care Act (ACA) so reviled by Trump and many GOP leaders, would be repealed. Trump aims to eliminate the NII tax whether or not the ACA is allowed to stand.
- The federal estate tax would be repealed. This repeal might be accompanied by changes in the income tax rules for inherited assets, but Trump didn't offer any more guidance at this time.

- The plan would impose a one-time repatriation tax to encourage a return of U.S.

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Overall, the “new and improved” tax plan is similar to Trump’s previous tax reform plan, with several tweaks. Undoubtedly, some compromises still must be made to shepherd any tax legislation through Congress. We will continue to monitor the progress of tax reform talks in Washington and provide updates on significant developments.

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