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The 2020 presidential election is only a year away. As the ranks of the Democratic challengers for the nomination slowly start to dwindle, let's run down the key tax proposals being touted by some of the front runners, specifically Massachusetts Senator Elizabeth Warren, former VP Joe Biden, Vermont Senator Bernie Sanders, South Bend, IN Mayor Pete Buttigieg and California Senator Kamala Harris.

Elizabeth Warren:

From the get-go, taxes have been a primary focus of Warren's campaign. For example, back in January, she proposed a "wealth tax" tax aimed at high-income

taxpayers. Some of the main components are as follows:

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by employers, who would pay into the government the health premiums they currently pay private insurers, as well as an increase in corporate taxes and the top 1% of earners. She says the plan would not result in a tax increase on middle-class or lower taxpayers.

Warren also wants to up the ante for corporate entities. Her plan includes a 7% tax on corporate profits above \$100 million—no exceptions. Furthermore, she has proposed an expansion of payroll taxes to 14.8% on wages above \$250,000 (split evenly between employees and employers at 7.4% each).

Other items on Warren's to-do list include legislative proposals she has sponsored or co-sponsored during the past year, such as a new \$3,000 tax credit for working family caregivers; expansion of the earned income tax credit (EITC) and the child tax credit (CTC); allowing grad students to deposit stipends or fellowship funds into IRAs; and regulation of tax return preparers.

Joe Biden:

First and foremost, Biden wants to roll back the changes implemented under the Tax Cuts and Jobs Act (TCJA) that was supported by President Trump. He would restore the top income tax rate for individuals to 39.6% and install a top 28% tax rate for corporations. In addition, Biden has advocated the following:

- Allowing low-wage workers over 65 years of age to claim the EITC;
- Imposing the Social Security tax on all wages instead of limiting it to a wage base (\$132,900 for 2019);
- Capping itemized deductions for the wealthiest taxpayers at 28%;
- Eliminating the step-up in basis for inherited assets;
- Doubling the capital gains tax on taxpayers earning more than \$1 million;
- Expanding the dependent care credit;

- Excluding student loan debt forgiveness from taxation;

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- Increasing the top marginal tax rate to 70% on taxpayers earning more than \$10 million per year and limiting their tax deductions;
- Imposing a 7.5% insurance premium tax on employers and a 4% income-based premium tax on employees (exempting the first \$29,000 in income for a family of four);
- Restoring the 35% tax rate for corporate entities;
- Repealing the 20% deduction for qualified business income (QBI);
- Increasing tax rates for corporations based on pay gaps between CEOs and the rank-and-file;
- Repealing preferential tax rates for capital gains;
- Tripling to \$750 the above-the-line deduction for educator expenses and adjusting it annually for inflation;
- Providing tax credits for employers who hire certain workers involved in “green” initiatives.

Overall, Sanders has vowed to eliminate virtually all corporate tax breaks and loopholes.

Pete Buttigieg:

While standing firm with the other Democratic challengers in opposition to the TCJA, Buttigieg has come out in favor of the following tax law changes

- Higher income tax rates for individuals;
- A “wealth tax” on high-income taxpayers;
- A 35% corporate income tax rate;
- Higher taxes on pharmaceutical companies that don't participate in negotiations to reduce drug costs;
- A new financial transactions tax; and
- Eliminating various corporate tax breaks.

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- corporations to pay for up to six months of family and medical leave;
- Extension and expansion of renewable and clean-energy tax credits;
- Expansion of the electric vehicle tax credit and shifting it to a point-of-sale rebate; and
- Legalization of marijuana in conjunction with a national 5% sales tax.

Of course, this is only a brief summary and doesn't reflect all the proposals made by the various candidates. Furthermore, whatever has been proposed to this point is likely to be modified. What you can count on: Taxes will be front and center in the debates among presidential contenders in 2020.

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