

An election year can bring tax law uncertainty. The following is a side-by-side comparison of existing key tax laws and the revised versions of those laws proposed by presidential nominee Joe Biden.

Individual Tax Matters

	Current Law-2020	Biden's Tax Plan
Maximum Tax Rate	37.0%	39.6%
Social Security Tax Rate	15.3% (split between employee and employer) up to \$137,000	15.3% (split between employee and employer) up to \$137,000 AND 12.4% (split between employee and employer) above \$400,000
Capital Gains & Qualified Dividends (maximum rate)	20.0%	39.6% on income above \$1M
Itemized Deductions	No overall limitations	Limitations over 28% of value and restores PEASE limitations
IRC199A	No phase out on qualified business income	Phase out qualified business income limitations with taxable income over \$400,000
Child Tax Credit	Provide up to \$6,000 tax credit for child care	Provide up to \$8,000 tax credit for child care

Business Tax Matters

	Current Law-2020	Biden's Tax Plan
Corporate Tax Rate-Maximum	21.0%	28.0%
Alternative Minimum Tax (AMT)- Corporations	N/A	AMT applicable to corporations with greater than \$100M book profit

Additional Tax Matters Under Biden's Tax Plan

- Potential elimination of IRC 1031 exchange for real property
- Potential elimination of passive loss rules for \$25,000 of rental loss
- Creation of new solar, residential energy efficiency and manufacturing credits
 - Creation of new incentives for retirement savings plans

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