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Tax in the 2020 Presidential Election

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I. Introduction

Hardly any topics are more debated and agonized over during an election cycle in the United States of America than is our federal taxation system. In 2020 taxation has been magnified as an issue as a result of Tax Cuts and Jobs Act implemented by President Donald Trump and a Republican Congress. During this cycle we have seen the Democratic presidential candidates broadly call for the elimination of tax cuts for both individuals and corporations. Not all see that as enough however, as we have seen proposals that include a wealth tax, and a top individual tax rate at 50% or more.

This paper will take an in-depth look at the plans proposed by top tier candidates running for President. The roadblocks and hurdles that these candidates face in passing a new tax code will be evaluated as well. In addition, the current tax code enacted in the United States will be analyzed. But first, this paper will briefly get into the history of federal taxation in America, as its background is essential to understanding how the system works today. An in-depth look into both parties, their beliefs on taxation, and the primary differences that divide the two, will also be explored.

The overarching goal of this analysis is to provide unbiased insights into today's tax plans and policy in America's political landscape. This analysis is also intended to provide an unbiased, broad view on the tax plans proposed by the candidates, more specifically the frontrunners, vying for the Democratic nomination for the presidency. It seems today, now more than ever, we debate federal taxation, and just how much we should tax individuals of varying incomes, small business, and corporations. This paper aims to dissect the positives and negatives, and analysis of many of the ideas that have been proposed and are constantly debated.

II. Federal Taxation in the United States

1. *Brief History*

Taxation is at the very heart of why America came to be. The British, who ruled over the American colonies, attempted to tax the colonies through the Stamp Act and the Townshend Act. The colonists did not want to pay taxes to a government in which they had no representation. Thus, the saying “No taxation without representation” came to be. These British acts caused dismay among the colonists, eventually leading to protests, and famous events such as the Boston Tea Party to occur. Eventually, “No taxation without representation”, coupled with other events and motives, led to the “Shot heard ‘round the world” and the American Revolution. In short, this series of events gave us the United States of America.

The Constitution would be the place where federal taxation in America would be first addressed. Early on, the Constitution allowed for the federal government to tax its citizens indirectly, through a sales tax or different indirect routes. Later, in 1913, the 16th Amendment was made into law. The 16th Amendment stated that “The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration” (Brownlee 2016). This amendment gave us the income tax all Americans are required to pay today. The amendment allows for the government to collect revenue from sources other than tariffs and taxes applied to goods.

Since the passage of the 16th amendment allowing for the federal income tax to be implemented, our system of federal taxation has evolved. A progressive system of taxation was introduced to America, something that will be discussed in greater detail next. We have seen the introduction of the payroll tax that affects both the employer and employee, the corporate tax, social security which is now an aspect of the payroll tax, and tax credits. Today, our system of taxation has evolved into one that is not nearly as punitive, as it is incentive driven. Incentives such as deductions for charitable contributions encourage American taxpayers to donate to a cause, be it their church or an actual charity. There is a federal tax credit available to those who purchase environmentally friendly, or electric vehicles in an effort to reduce emissions in the country (IRS). There is a federal tax credit, the investment tax credit (ITC), for those who install solar panels, whether on a commercial or residential property. There are many more examples of deductions and credits designed specifically to incentivize good or healthy behaviors and choices.

Today deductions and credits go beyond just incentives, however. They also are meant to lift some of the burden off those who need it most. Look at the earned income tax credit (EITC) for instance. The EITC, which was founded in 1975, was intended to be a credit for American families who had children, but not much income (Crandall-Hollick 2018). Today the credit is no different, intended for those considered to have a low to moderate income and children. The EITC however, was the basis for credits like the child tax credit (CTC) that we have today. Credits like these are typically refundable, meaning if they reduce your burden beyond what it is, you can receive them, at least partially, in the form of actual money.

While the individual side of the tax code certainly does not seem to be very punitive, some might argue the business and corporate side of the federal tax code is. Even so, businesses and corporations are entitled to both deductions and credits that are meant to ease their respective tax burdens or incentivize certain behaviors. Investments in areas that are considered to be below the poverty line are eligible for credits, otherwise known as opportunity zones. Environmentally conscious behavior may also be rewarded with certain deductions or credits (IRS). Regardless of whether one believes our current system of taxation is punitive, there certainly are methods for all American taxpayers, be it an individual, business, or corporation, to reduce their tax burden through deductions and credits allowed by the federal government.

2. *Progressive Tax System*

A progressive tax system is generally intended to reduce the inequality of income between individuals in a nation. It is characterized by those with less income paying lower marginal tax rates, and those people who make more are taxed at higher marginal rates. Most countries across the world have implemented some kind of progressive tax system. Just how progressive the tax systems are, however, varies by country. Typically, countries who are more invested in social programs, like education and health care, are those with the more progressive systems.

America's progressive tax system swings in just how progressive it is, throughout time. There have been moments in American history where the tax system has been one of the most progressive in the world. Dating back as far as 1963, the highest nominal tax rate was 91%. Up until 1981 the highest nominal tax rate was 70%, before being dropped to 50% the next year. By 1988 no one paid more than a 33% tax rate, taking America from one of the most progressive systems to one of the least. In 1994 the top nominal rate was increased to about 39%, and since then our top nominal rate has bounced around in the range 35% to 39% (Historical 2020).

III. The Partisan Divide on Taxation

1. Democratic View on Taxation Today

Founded in 1792, the Democratic party originally advocated for a decentralized federal government, that held less power. Since then, the party has taken on views of the federal government's role that are opposite of the views on which the party was established. Today the Democratic party sees federal government as having an essential, or strong role in "building a level playing field" for all Americans.

The translation of a belief in strong federal government into taxation at the federal level can be seen in the policy of the Democrats. The modern Democratic party policy on taxation can generally be described as raising tax rates on the wealthy or making them "pay their fair share" (Democrat Party Platform 2016). They also believe in cutting or keeping constant tax rates on the middle class and the poor. The Democratic party attempts to increase government revenues, via higher tax rates on higher income individuals, to fund, generally, entitlement programs. These entitlement programs are intended for those lower income or elderly people who may struggle with day-to-day finances. They are used as an indirect method to redistribute wealth, with these expenditures in theory providing more opportunity for the less fortunate (Democrat Party Platform 2016). The aforementioned entitlement programs include food stamps, unemployment, social security, and Medicaid to name just a few. In this election cycle, the rhetoric coming from Democrats fits mold of who they have been in modern politics, calling for tax increases on the wealthy and big corporations to fund existing entitlement programs, as well as new ones they wish to implement.

However, the question that must be asked, is 2020 the year that Democrats view on taxation changes? That question can only be answered in time as the Democratic party chooses between their two candidates, Joe Biden and Bernie Sanders. While the deep dive into the tax plans for the two men will come later, differences can be seen from the surface. If the nomination goes to Joe Biden, the answer as to whether democrats view on taxation will change will likely be a simple ‘no.’ But if Bernie Sanders becomes the nominee, the answer is not so simple. Senator Sanders challenges the norms of Democrats in more ways than one, and one of those ways is his tax plan. His plan calls for increases in tax rates across the board, not just on the wealthy (Appendix: Exhibit 2). Of course, the Senator argues that these tax increases on the poor and middle class will be offset by entitlement programs he would implement with those revenues. Even so, proposing tax increases on those groups goes against the grain of what the modern Democratic party has represented for many years now. A Bernie Sanders nomination could change the Democratic party’s policy on federal taxation moving into the future.

2. *Republican Party View on Taxation Today*

The Republican party was founded in 1854 to stand against the expansion of slavery more than any one other issue. Today the party believes the less federal government the better. They believe the government must step aside for the economy and American individuals’ finances to flourish.

In the world of taxation, the Republican party policy staunchly advocates for cutting individual and corporate tax rates. The modern Republican party is built upon the belief from a taxation perspective, that lowering the tax burden on both individuals and corporations is the best mode for economic prosperity in America. Further, the party’s policy calls for cutting government spending absent the revenue the government loses from cutting tax rates. In contrast to the policy of the Democratic party, the Republican party sees much of our current government spending as wasteful and unnecessary. They wish to “prioritize thrift over extravagance” while putting “taxpayers first” (Republican Party Platform 2016). The 2016 Republican party platform went so far as to call for a constitutional requirement to balance the budget, emphasizing their belief in the importance of limited government spending.

One of the best examples of the refusal of the Republican party to increase taxes can be seen by looking at the conservative advocacy group Americans for Tax Reform (ATR). According to the group, “The government’s power to control one’s life derives from its power to tax.” In short, the group firmly stands against any increases to government tax rates, whether at a federal or state level. The group has a significant influence on the members of the Republican party and its policy. This is evidenced by the fact that over 1,400 politicians, from state representatives to members of the United States Congress, have signed their pledge to never vote to increase any taxes on American individuals or businesses. As stated on the group’s website, since the pledge was endorsed by Republican President Ronald Reagan, “the pledge has become practically required for Republicans seeking office…” (Americans for Tax Reform). In exchange for signing and following through on their commitment to the ATR pledge, Republican politicians are rewarded with political contributions to fund their campaigns. The ATR advocacy group further entrenches the principle of reducing all tax rates in Republican policy and shows just how important the issue of taxation is to Republicans.

3. Dividing Issue

So why are the two parties so divided when, in reality, they actually share the same common goal? From the above analysis we can trace it all back to the methods, which are so often the reason for our partisan divides in the United States. Our two political parties share similar end goals, economic prosperity, but different ways to achieve that prosperity. Democrats believe that the federal government plays a large, essential role in reaching this goal, while Republicans see significant involvement of the federal government, as a hinderance. The Democratic party believes that we need to further fund entitlement programs, while the Republican party wishes to reign in those programs, and let the market work itself out. The Democratic party wants to incent businesses by threatening higher tax rates, while the Republican party would rather incent business by lowering their tax rates. As you watch our democracy play out in the form of elections over next many months, the big picture, surface level tax policies that will be debated can all be traced back to the one main issue: economic prosperity.

IV. Tax Cuts and Jobs Act of 2017

On December 22nd, 2017, Donald Trump signed into law the Tax Cuts and Jobs Act. The law, which took effect for the tax year beginning January 1st, 2018, represented the biggest changes to the tax code since the Tax Reform Act of 1986 (Full Details and Analysis 2019). The Tax Cuts and Jobs Act was a significant reform to individual income tax rates, the corporate income tax rates, and business income taxes in the United States. In totality, the act might best be classified as a tax cut for all individuals and businesses in America. Granted, the amount that taxes were cut significantly vary by income level, and classification of individuals versus businesses. This section will explore in greater specificity the changes made to both the individual and corporate tax code by the act, and the effect those changes have had on American individuals, businesses, and economy.

1. *Tax Changes for Individuals*

The majority of Americans experienced the changes the Tax Cuts and Jobs Act (TCJA) made from the individual perspective. To start, the TCJA changed the statutory tax rates across nearly every single level of income for individuals. Rates across just about every level dropped, with the exception of two tax brackets. In addition, the brackets themselves were adjusted. Most tax brackets saw downward adjustments, but at least one other bracket did see an upward increase, and another saw no change. The specific changes brought on by the TCJA in brackets and rates, can be seen in a chart provided by the Tax Policy Center in the appendix (Exhibit 1).

While the changes made to tax brackets and rates is likely the most eye-popping aspect of the TCJA on the individual side, there were many other significant changes made. One of those changes was the elimination of the $4,050 exemption for a taxpayer themself, and any dependents they were able to claim. For many, the repeal of these exemptions probably was the most noticeable change when filing. One way the TCJA attempted to make up for the repeal of the personal and dependent exemption was by completely overhauling the Child Tax Credit (CTC). Prior to the TCJA, the CTC was a $1,000 credit for qualifying children under the age of 17. Single filers were phased out of the CTC once their income had exceeded $75,000, and joint filers were phased out with income above $110,000. In addition, under previous rules the CTC was only refundable for up to 15% of earnings in excess of $3,000. The overhaul of the CTC under the TCJA represented a massive expansion of the credit and changed nearly everything that was just covered. The TCJA increased the CTC to $2,000 per qualifying child under the age of 17, up from the aforementioned $1,000. As for the CTC phase outs, under the TCJA they drastically increased. Now phase outs for single filers is up to $200,000 from $75,000, and $400,000 from $110,000 for those married couples filing joint returns. The act increased the refundable portion of the credit as well, making the refundable portion 15% of earnings in excess of $2,500, down from $3,000 (Josephson 2020). However, the TCJA did limit the maximum refundable amount of the credit to $1,400 per child. An important caveat to the overhaul of the CTC, the TCJA required children to have a valid social security number to be eligible for the CTC. This had not been a requirement to claim a child for the CTC prior to the implementation of the TCJA.

While the overhaul and expansion of the CTC certainly was one way the TCJA offset the elimination of personal and dependent exemptions, it certainly was not the only method. In addition to the CTC, the TCJA implement a $500 nonrefundable dependent credit that covers children no longer of age to qualify for the CTC, full-time college students, children without a valid social security number, and those adults who are primarily supported by a household (Smith-Howard 2018).

In all likelihood, the most significant change that was made from the perspective of the individual tax code was the standard deduction. Standard deduction levels were nearly doubled for all individuals, regardless of filing status, by the TCJA. Single filers saw their standard deduction increase from $6,500 to $12,000; married couples filing joint returns saw their returns increase from $13,000 to $24,000; finally, those filing as head of households had their standard deduction jump to $18,000 from $9,550 (NOTE: these number are approximate, not exact)(IRS). This change significantly decreased the number of Americans who would have otherwise chosen to itemize their deductions. For instance, most married couples would find it much harder to find around $24,000 in deductible expenses compared to $13,000. And for those who would have taken the standard deduction anyways, the doubling of the standard deduction subjects a sizable amount of their income to less taxation.

Expanding on itemized deductions, the TCJA did more to discourage electing the option to itemize than just doubling the standard deduction. In fact, the TCJA limited and capped the deductions taxpayers could take. Maybe one of the most significant and well-known changes implemented was the cap placed on the deduction for state and local taxes. Prior to the implementation of the TCJA, taxpayers could take deductions for all state and local property taxes, as well as the greater of income or sales tax they incurred. These deductions were only subject to overall limits on itemized deductions. Now, under the TCJA, taxpayers, regardless of filing status (single or joint), cannot deduct more than $10,000 of state and local taxes (Smith-Howard 2018). As for other limits the TCJA placed on those who elect to itemize, the act further limited the deductible amount of interest on mortgage payments taxpayers make. Before the implementation of the TCJA, taxpayers could deduct up to $1 million in interest on mortgage payments, now that amount is limited to $750,000. Additionally, with respect to mortgages, the TCJA eliminated the $100,000 deduction in home equity debt that had previously been in place. The TCJA did temporarily lend help to some itemizers, as the bill allowed for medical expenses above 7.5% of adjusted gross income (AGI) to be deducted. Previously, only medical expenses above 10% were deductible. However, in 2019 the TCJA reverted to medical expenses above 10% from 7.5% (Full Details and Analysis 2019).

The TCJA also changed the structure of the taxation on estates. Under the TCJA the exemption level on estates doubled to $11.2 million for single filers (Full Details and Analysis

2019). Prior to the implementation of the TCJA, the single filer exemption level was $5.6 million, meaning only the estates with values in excess of that amount were subject federal taxation. Now, for an estate to be subject to taxation by the federal government it must have value of $11.2 million or more (exemption level doubled for married filing jointly). On the other hand, the TCJA did not change the flat 40% rate at which estates that exceed the exemption level are taxed.

2. Tax Changes for Businesses and Corporations

The TCJA significantly changed the tax code for businesses in America, likely even more so than it did for individuals. With the passage of the TCJA into law businesses saw reduced tax rates and the addition of a few tax breaks. For the most part however, the significant cut in tax rates for businesses, and more specifically corporations, did result in the elimination of more tax breaks than were added. To start to explain just how the tax code changed for business, start with what was likely the most significant change the TCJA made: the reduction in the corporate tax rate.

Prior to the TCJA, corporations were taxed at progressive rates, with a bottom rate of 15% and a top rate of 35%. While the bottom rate was 15%, corporations paid a 34% rate on all income above $75,000 and 35% on income above $10 million. So, for all intents and purposes, corporations with millions in earnings were paying the 15% rate on only a fraction of their income. The TCJA significantly changed this, as the act set a flat 21% rate of federal taxation on corporations (Smith-Howard 2018). This meaning regardless of income, whether a corporation makes $50,000 or $50 million, it is all taxed at a 21% rate. But the benefits the TCJA provided to corporations does not stop there. The TCJA repealed the corporate alternative minimum tax

(AMT). The corporate AMT, a 20% tax that exempted corporations with less than $7.5 million in gross receipts for the prior 3 years, ensured corporations would still owe taxes, even if they could find tax breaks and loopholes to avoid paying the corporate tax rate (Full Details and Analysis 2019). The combination of these two changes represented a massive win in terms of taxation for corporations. One of the few losses that corporations took from the TCJA was the reduction of the corporate dividend's deduction. Pre-TCJA allowed for corporations to deduct 80% of dividends received if they owned 20% of the stock in the corporation from which the dividends were coming. If not, they were still able to take a 70% deduction. The TCJA limited the prior 80% deduction to 65%, and the prior 70% deduction to 50% (Smith-Howard 2018).

While the TCJA provided numerous benefits to corporations, only 5% of all businesses in America are structured as corporations (Tax Foundation). With this being the case, the TCJA had to do more than just restructure and adjust the corporate side, and it did. Under the TCJA, pass-through business and their members have experienced beneficial changes. Business structures that are taxed as pass-through entities include partnerships, sole proprietorships, S corps, and limited liability companies. Prior to the implementation of the TCJA, income was passed through to an entity's owners or members and taxed at the ordinary rates of the individuals receiving the income without any benefit or penalty. However, the TCJA created the qualified business income deduction. This deduction allows for individuals who are owners or members of certain pass-through businesses to deduct up to 20% of qualified business income (Full Details and Analysis 2019). The deduction is somewhat restrictive, as businesses in certain industries are prohibited from claiming the deduction. More specifically, those industries restricted from claiming the deduction include, but are not limited to health, law, and professional services (Full Details and Analysis 2019). As for the eligible entities, those individuals who receive pass-through income are entitled to take the full 20% deduction if their income does not exceed $157,500 as a single filer, and $315,000 as a joint filer (Smith-Howard 2018).

Finally, another significant change as a result of the TCJA relates to net operating losses (NOLs) incurred by businesses. Prior to the passage and subsequent implementation of the TCJA, businesses could deduct 100% of their NOL incurred in either a prior year or a future year. In more common tax terms, this was known as loss carrybacks and loss carryforwards. To start, the TCJA limited the allowable deductible amount of NOLs to 80% (Smith-Howard 2018). As was just said, under prior law NOLs had been 100% deductible. Second, the TCJA did away with loss carrybacks, instead allowing businesses to utilize only loss carryforwards. With the new law, a business that incurs a NOL, may reduce their tax burden or increase a refund they may receive in a future year (Smith-Howard 2018). There is no limit for how many years into the future NOLs may be carried forward.

3. Effects of the Changes

The effects of the changes made by the TCJA, vary based on who you ask. President Trump and those who support him are likely to credit much of the economic expansion seen during the early part of his presidency to the tax cuts and changes made to the TCJA that he implemented. His detractors on the other hand, like the candidates for the Democratic party nomination, would likely tell you that his tax cuts have had little impact on the economic expansion, and he inherited an expanding economy. Much of the discourse from Democrats' would lead you to believe the TCJA benefited corporations and the rich, while leaving behind the middle class and poor Americans. This paper, however, will not investigate the political discourse surrounding the TCJA, but when evaluating the effects of the act will focus on 3rd party analysis. There are two bipartisan sources that analyze the effects of federal taxation on the economy, the Tax Foundation and the Tax Policy Center (TPC). Throughout this paper, those two sources will be oft cited when looking into the economic effects of tax policy and changes to the policy.

Only a little over 2 years after the implementation of the TCJA, results are both tough to come by and then interpret. Since the election of Donald Trump as president, the economy has seen substantial growth. However, economists offer differing views as to whether the tax cuts have played a role in that growth, and if they have, just how big of a role they have played. As to avoid the political nature of evaluating the early returns of the TCJA, this paper will look towards analysis that was completed prior to the total implementation of the law.

The Tax Foundation, a group that says it is the leading independent tax policy nonprofit in the country, is focused on improving lives through tax policy that promotes economic growth and greater opportunity (Tax Foundation). With respect to the TCJA, the Tax Foundation analysis and model found the tax plan to be one of 'pro-growth' (Full Details & Analysis 2019). From a revenue generating perspective, the Tax Foundation projects substantial loss of federal revenue. The tax cuts on the individual side of the tax code would cost the federal government a total $1.1 trillion in revenues over the next decade. Revenues generated from the corporate tax rate and the taxation of pass-through businesses would see a reduction of $617 billion over the next 10 years. Meanwhile, the reform of the estate tax structure would itself reduce federal revenues by $72 billion. However, those projections from the Tax Foundation are static, meaning they do not take into account the effects the tax changes have on a variety of factors such as jobs, wages, economic growth, and investment to name a few. On the other hand, their dynamic projections take all those factors and some into account. Thus, the dynamic projections made by the Tax Foundation significantly vary from their static projections in terms of revenues. In fact, the dynamic projections show the federal government loses $600 billion less in revenues compared to the static projections. According to the dynamic projections, the federal government reduction in revenues from individual taxes would only equal $494 billion. The reduction in revenues from the corporate tax rate as a result of the TCJA would be $565 billion, again smaller than the static projections. For the individual tax rates, these changes occur under the dynamic projections due to the projected wage growth under the TCJA, therefore incomes would increase and so would the payroll tax base. As for corporations, the smaller loss in revenues as seen under the dynamic projections versus static, can be tracked to increased investment from a decreased corporate tax rate.

Overall, the Tax Foundation plan saw the TCJA as a 'pro-growth' tax reform that will benefit the American economy. Their models see the long-term effects and results of the TCJA increasing GDP by 1.7% and the domestic capital stock by 4.8% (Full Details & Analysis 2019). The Tax Foundation model also projects wages would be positively affected under the TCJA. On average, as a result of the TCJA, wages would increase by 1.5% according to the Tax Foundation model. Wages have long been stagnant in America, with only minuscule upticks and downticks, so a 1.5% increase would represent dramatic change. In addition to increased wages, the Tax Foundation model projects the addition of 339,000 jobs. All this evident of the Tax Foundation's conclusion that the TCJA is a pro-growth plan. In terms of individuals who benefit the most from the TCJA, the Tax Foundation concludes the after-tax incomes of the bottom 80% of earners would increase by somewhere between .7% and 1.5%, while the after-tax income of the top 1% would see increases of about 2.5%.

The Tax Policy Center (TPC) was created in a joint venture by the Urban Institute and the Brookings Institution (Tax Policy Center). Its purpose is to provide independent analysis to the public and policymakers on current and long-term tax issues. The TPC is not as bullish about the TCJA and its effects as the Tax Foundation. In fact, the report on the TCJA published by the TPC states, "The most optimistic economic growth estimates come from the Tax Foundation…", (Gale et al. 2018). As for revenue, the TPC does not view the TCJA as an act that will self-finance with resulting economic growth. Unlike the Tax Foundation report on the TCJA, the TPC report does not quantify exactly how much revenue would be lost from the tax plan. Instead, the TPC report states how much of the economic growth stimulated by the plan would make up for lost revenues. According to the TPC, the economic expansion or GDP growth as a result of the TCJA, would only offset lost revenues by about 13% (Gale et al. 2018). Put in these terms, the Tax Foundation projections suggest the economic growth would offset lost revenues by 70%, a stark difference from TPC projections.

In short, the TPC projections show changes implemented by the TCJA would result in minimal economic growth and would fail to offset much of the revenue lost. From the standpoint of economic growth, TPC projections suggest from 2018 through 2027 GDP would grow only by .5% (Gale et al. 2018). This stands in contrast to Tax Foundation projections that see GDP growing by as much as 2.9% during that same time period. The TPC sees the TCJA as having the most consequential, and likely beneficial, impact on corporations and pass-through income businesses. The corporate tax rate, 21%, proposed and implemented by the TCJA is the lowest corporate tax rate American corporations have seen since 1939. As for some of negatives, the TPC does project the TCJA to further exacerbate the federal deficit with the projected loss in federal revenues as a result of the act. In addition, TPC projections show that the distribution of income becomes more unequal under the TCJA. Specifically, while all quintiles of income earners see an increase in after-tax income, TPC projections suggest the top 1% of all earners (2^{nd} highest quintile) see an increase of 3.4% of after-tax income under TCJA. The lowest quintile of earners on the other hand, would see an increase in after-tax income of 2%, an obvious dip from the higher quintiles. As what might be implied from the above, the general conclusion of the TPC projections is that the implementation of the TCJA leaves many questions and will spark the reconsideration of tax policy in future years.

V. The 2020 Presidential Candidates

1. Democratic Party – Tax Plans

i. Former Vice President Joe Biden

Former Vice President Joe Biden is one of the two main candidates for the Democratic nomination along with Senator Bernie Sanders. The Vice President and his tax plan represents a shift back to many of America's former tax policies seen under President Obama from the new tax structure given to us by President Trump via the Tax Cuts and Jobs Act (TCJA). While many of the federal taxation policies he has proposed only take us back to previous norms, some involve the furthering of tax policies under President Obama or move us only partially back to those norms. When evaluating the Biden tax plan, it is important to note that the campaign questions any analysis that concludes his tax plan would have an upward impact on the tax liability of the middle class (Rubin 2020). Vice President Biden and his campaign have repeatedly emphasized that he is committed to not raising the tax burden on the middle class at all. Without further ado, lets jump right into the Biden tax plan.

To start, as has been the theme for a significant amount of time, the Biden tax plan hits the rich, and more specifically the top 1%, the hardest. The Vice President's plan increases overall federal taxes by 8%. Of the overall 8% increase, 74% of it would be paid by the top 1% of income earners in the United States (Rubin 2020). The after-tax income for this top group of income earners would decrease by about 17% in 2021, which averages out to an increase in average tax liability of around $300,000. According to the Tax Policy Center (TPC), a non-partisan group, the Biden tax plan would also increase the average tax liability of middle-income earners by about $260, or a .5% increase of after-tax income (Holtzblatt et al. 2019). This, according to the TPC analysis, is not the result of a direct increase in the tax rate on the group, but rather is mostly the indirect result of the increase in corporate tax rates which will be investigated later in this paper. It should once again be noted as was briefly mentioned above, the Biden campaign refutes the notion that their tax plan either directly or indirectly increase the tax burden on the middle class. In response to the TPC analysis cited above, the Biden campaign questions how much the corporate tax rate, and changes to it, effects the tax liability of workers, if it does at all (Rubin 2020).

To gain further understanding of the Biden tax plan and the changes it makes to our current tax structure, the specifics must be investigated. One of the most notable changes Vice President Biden plans to make is to eliminate the tax cut the TCJA gave to the top tax bracket. Biden's tax plan calls for a return to the 39.6% top individual tax rate experienced under President Obama. The TCJA cut the top 39.6% rate to 37%, but Biden calls for a reverse to that policy as president (Appendix: Exhibit 2). In addition to this, as president, Joe Biden's plan calls to cap itemized deductions for those who earn income in excess of $400,000 (note: single filers). The cap for those earners would be 28%, which was a proposal that former President Obama enthusiastically supported during his time in office but one he was never able to implement (Nitti 2019). The Biden tax plan does not address whether he would keep the significant increases to standard deductions resulting from President Trump's TCJA.

Those are not the only changes the former Vice President has planned for individual tax rates. In addition to the aforementioned changes, the Biden tax plan calls for significant changes to the estate tax, and taxes on capital gains. Under a potential President Biden, the tax structure for estates would be dramatically altered. Under the new tax structure for estates, the tax rate on estates would not change but the rules would. Biden's plan would tax any unrealized gains on one's assets at the time of their death. Today, the beneficiary of an estate acquires the asset or assets on a 'stepped up basis'. This means that they receive the asset at its fair market value, so if it is worth $1 million and they sell it for $1 million, there is no gain (Nitti 2020). The Biden tax plan would put an end to this practice. In addition, as of right now, estates are only taxed if the assets exceed $11.2 million (single filer). Any amount in excess of that $11.2 million is subject to a 40% tax. The former Vice President's tax plan would reset the exemption number to $5.6 million, while anything in excess would be taxed at the same 40% rate as stated above (El-Sibaie et al. 2020). Biden's tax plan also calls for change to the federal government's taxation of capital gains. Under his proposal, everyone making more than $1 million a year would see their capital gains taxed at the top rate, 39.6%, while lower earners capital gains would be taxed at either 20%, 15%, or 0% based on what tax bracket they fall into. Currently the tax structure in America calls for capital gains to be taxed at the three lower rates above, those being 20%, 15%, or 0%. A shift in the top capital gains tax rate to 39.6% would certainly represent a significant change in the country's tax structure (Nitti 2020).

Yet another area of the tax law that candidate Biden proposes to change is the payroll tax, which affects both the individual and the business. The proposal from the Biden campaign sets out to make changes to the social security part of payroll tax, not the Medicare portion. Under current law, the social security tax has a cap at $137,700 of income. In other words, a single filer who makes more than $137,700 does not pay the social security portion of the payroll tax and is only liable for the Medicare portion. Under the Biden plan, the social security cap would be lifted at those individuals who make in excess of $400,000. To avoid any confusion, it is important to note that individuals making between $137,700 and $400,000 would be unaffected by this change, as they still would not owe social security tax. Individuals who would be affected by this change would be those earning in excess of $400,000 a year (Nitti 2020).

Moving away from individuals to business, and more specifically corporations, former Vice President Biden's tax plan takes aim one of President Trump's most prized accomplishments, the corporate tax rate. As was mentioned earlier in this paper, one of the largest, if not the largest change to tax law President Trump made with the TCJA, was the reduction in the corporate tax rate to 21%. As president, Joe Biden would look to increase the corporate tax rate to 28% (Nitti 2019). While this does not represent a complete reversal back to the 35% corporate tax rate prior to the TCJA, it does represent a significant shift in the law. In addition to the increase in the corporate tax rate, the plan would implement a 15% minimum tax on the book income of companies who have $100 million or more in net income (Epstein 2019). More specifically, this tax would target a company like Amazon, who pays very little to no federal income tax in a year. Yet another change business would see from the Biden plan would be the doubling of the tax rate on profits of international subsidiaries of American companies, also known as the Global Intangible Low Tax Income rate (GILTI). The rate, which currently sits at 10.5%, would double to 21% under the Biden tax proposal (El-Sibaie et al. 2020).

The tax plan the former Vice President has laid out directly affects the wealthy and large American business more so than it does anyone else. In fact, the tax plan described above will not change the majority of America's tax rates at all. Biden's plan aligns mostly with what was earlier discussed, as the typical democrats view on federal taxation. He leaves the middle class alone, while taking aim at the wealthy, corporations, and large American business. His plan seemingly sticks true to Democratic party's motto, "Leveling the playing field", we so often hear. As for the effect the tax plan will have on the American economy and whether this tax plan really pays for the programs Biden has proposed? That independent analysis will be evaluated later in the paper.

ii. Senator Bernie Sanders

Senator Bernie Sanders stands as the only remaining competitor to the former Vice President, Joe Biden, for the Democratic party's nomination. Senator Sanders tax plan represents not just a shift back to the era of tax law pre-President Trump and the TCJA, but rather the plan proposed by him and his campaign is a complete overhaul of the current system. As seen above, most of Biden's proposal merely shifts us back to the tax structure seen under President Obama, while Sanders takes the tax structure back and beyond that structure. Unlike the Biden campaign, the Sanders campaign does not claim to absolve the middle class of tax increases. In fact, Senator Sanders tax plan unequivocally promises to raise taxes across all levels of income outside of the very bottom tax bracket. With that being said, lets dig into the Sanders tax plan.

Ever since Bernie Sanders became a national figure during his run for the 2016 Democratic nomination, he has taken aim at the rich, especially the top 1%. His tax proposal certainly stays true to that, hitting that group with significant tax increases. Furthermore, the plan the Sanders campaign has released, represents a historic increase in federal taxation. Under Sanders tax plan, about 28% of the federal government's revenue would come from taxation, with the top 1% of income earners footing most of the bill (Rubin 2020). For historical reference, federal government revenues generated from taxation have never exceeded 20.5% in the United States, and that number has not been seen since 1944, when America was in the midst World War II (Rubin 2020). As for the specifics of this historic increase in federal taxation, the top 1% of income earners in America would see their tax liability rise by an average of $518,190, in other words, their after-tax income would decrease by around 29.5%. While the top 1% would be hit the very hardest, the Sanders tax plan would affect middle income earners as well. Those in the middle-income group can expect to see their tax liability increase by about $1,070, about a 1.7% decrease in after-tax income. The bottom income earners in America would not be left unaffected either by the Sanders tax plan. On average that group would see their tax liability increase by about $700, decreasing the group's after-tax income by around 1.1% (Holtzblatt et al. 2019). Of course, as was mentioned previously, neither Sanders nor his campaign has ever claimed or promised to not raise taxes on the middle class, so his plan increasing their tax burden should not come as a surprise.

How is it that individuals across the board likely would see their tax liabilities rise under Senator Bernie Sanders tax plan? Delving into the specifics of his plan explains just why that is the case. To start, Sanders plan proposes to implement a 4% income-based premium tax on all income above $29,000 (Sanders 2019). That means nearly all tax brackets outside of the very bottom would be subject to this 4% premium tax rate. So, in addition to every groups base tax rate, 4% could be added to each bracket. This is not the only change Sanders proposes to individual rates however, as his plan calls to increase the ordinary tax rates for those earning income in excess of $250,000. Under the current tax structure in America, those earning more than $250,000 are taxed at a 37% rate, and no amount of income is taxed at an ordinary rate in excess of that 37% (Appendix: Exhibit 2). Under Sanders tax plan, that group of earners would see their income taxed at 39.6%, prior to the inclusion of the premium tax he has proposed. The ordinary rate for those making in excess of $518,400 would increase to 45%. For those making in excess of $2 million, an increased rate of 50% would be imposed. And the new top rate proposed by the senator, a 52% ordinary tax rate on income in excess of $10 million (note: these tax brackets are designed for single filers and may vary for married couples) (Appendix: Exhibit 2). Sanders plan also calls for a cap to be set on itemized deductions. In similar fashion to the Biden tax plan, he would set a 28% cap on itemized deductions, but at income in excess of $250,000, a lower income level than what Biden has proposed (El-Sibaie et al. 2020). On the topic of itemized deductions, Sanders proposes increasing the cap on state and local taxes (SALT) of $10,000 that can be deducted (imposed by the TCJA) to $50,000 (Sanders 2019). Like Joe Biden, Bernie Sanders does not address whether he would leave in place the standard deduction put in place via the TCJA or go back to the previous standard deduction levels.

The changes do not stop there for taxes on individuals. Specifically, the tax plan proposed by Senator Bernie Sanders calls for significant changes to the taxation of both estates and capital gains. The Sanders plan changes the rules for estates, but it also changes the rates at which estates are taxed. Very similar to the earlier discussed Biden tax plan, the Sanders plan would require decedents to pay tax on unrealized gain, eliminating the ‘stepped up basis’ rule described earlier. So, at a person’s time of death, they would owe tax on the amount by which their estate has appreciated. His plan does not stop there however, as he would set a new exemption level, dropping it from its current level of about $11.2 million, to $3.5 million (Nitti 2020). Estates exceeding the exemption threshold are taxed, and those that do not face no taxation. Bernie Sanders calls for taxing those estates that exceed the exemption at a progressive tax rate. His proposal calls for estates valued between $3.5 million and $10 million to be taxed at a 45% rate, between $10 million and $50 million to be taxed at a 50% rate, between $50 million and $1 billion to be taxed at a 55% rate, and those valued over $1 billion to be taxed at a 77% rate (note: values for single filers, doubled for married filing jointly) (Nitti 2020). This plan represents a significant change in taxation from current policy, and the progressive tax rates proposed for estates valued above the exemption significantly vary from the plan proposed by Vice President Biden. The tax plan proposed by the Sanders plan also includes big changes to capital gains and the way they are taxed. Like previously discussed, at current there are three potential rates one could pay on their capital gains: 20%, 15%, or 0% dependent on one's level of income. Under Sanders plan, those earning in excess of $250,000 would be subject to ordinary tax rates on their income. For instance, someone who earns in excess of $10 million a year, would be subject to a 52% tax rate on their capital gains, plus a 4% premium tax (Nitti 2020). Therefore, for all intents and purposes, that individual would be subject to a 56% tax rate on their capital gains under a President Sanders. That would be an enormous increase from the 20% tax rate that individual's capital gains would be subject to today.

Another aspect of the tax code Senator Bernie Sanders proposes to change is the payroll tax, from both the business and individual side. The Sanders plan primarily addresses social security aspect of the tax, and once again, it is quite similar to the Biden tax plan. Under the tax plan Sanders has proposed, those wages that are $137,700 or less are still subject to a 12.4% social security tax, split evenly between the employer and employee, 6.2%. With the Medicare tax included, the split burden measures at 7.65%. For a single filer making over $137,700, their wages over that $137,700 number, up to $200,000 would only be subject to the Medicare tax, 1.45% on both the employer and employee side (Nitti 2020). Wages between $200,000 and $250,000 would be subject to the Medicare tax, and an additional .9% payroll tax (employee side only) which increases the employee tax burden to 2.35%. All of what was just described is true with both the current tax structure and the one Senator Bernie Sanders has proposed to implement if president. His tax plan does not change anything about the current structure of payroll taxes until an individual has ordinary income greater than $250,000 a year (Nitti 2020). At that point, Sanders tax plan would reinstate the social security tax on both the employee and employer. From the employee perspective, ordinary income in excess of $250,000 would be subject to an 8.55% tax rate, with the social security tax added once again (Nitti 2020). The change in payroll taxes under the Sanders tax plan, significant for high income earners and businesses paying those wages, does not end there for the employer. In his plan, Sanders proposes a new payroll tax paid only by the employer. He proposes the tax as an income-based premium, equivalent to the one discussed above that employees must pay under his plan. This new payroll tax would be a 7.5% tax on wages paid by employers (Nitti 2020). To protect the interests of small business, the first $1 million in wages paid would be exempt from tax (Sanders 2019). So, all wages paid by companies in excess of $1 million would be subject to the new 7.5% tax proposed by the Sanders tax plan. In all, the Sanders tax plan nearly doubles the payroll tax liability for many businesses, and more than doubles it for individuals making over $250,000 a year.

The new employer side payroll tax Sanders proposes is not the only place his tax plan hits business. To start, the plan proposed by the Sanders campaign calls to reinstate the pre-TCJA corporate tax rate of 35% (Nitti 2020). This change would represent a complete reversal of one of the most notable parts of the TCJA. His plan does not just affect American corporations, but it also takes aim at pass-through businesses. Pass-through businesses or entities are companies who do not get taxed at the corporate tax rate. Instead, these businesses 'pass-through' their income, untaxed, to individual who have some stake in a company. Those individuals are then taxed at an individual rate based on the income allocated to them from the business or entity. The Sanders tax plan would require pass-through entities to be taxed at the corporate tax rate, thus eliminating pass-through businesses for all intents and purposes (Sanders 2019). Taxpayers can deduct up to 20% of income earned from these businesses as of current, something Senator Bernie Sanders also promises to end as president (Sanders 2019). Together, these changes would represent a massive shift in the way business is both taxed and structured in America.

2. Republican Party – Tax Plans

i. President Donald Trump

Much time was spent earlier thoroughly dissecting and reviewing analysis of the TCJA that was passed into law during the first term of Donald Trump's presidency. Politically, the TCJA was viewed as a huge success. As has been seen, some of the analysis was positive and some was not so. Regardless, major tax reform had not been passed through legislature in the United States since 1986 prior to the TCJA. The result has been federal taxation and tax plans taking center stage in the 2020 Presidential Election. Because of the passage of the TCJA, it is less clear than ever before what President Trump as a candidate would do during a second term in office. From a historical perspective, the previous two incumbents, Presidents Bush and Obama both ran for reelection with a tax plan. However, neither had passed significant tax reform during their first term in office. So will President Trump run, with the election acting as a referendum on his TCJA, or will he run with a plan that adds to the TCJA?

The answer is likely some combination of both. President Trump in all likelihood will run while speaking to the benefits the TCJA has provided to everyone. But he also is likely to formulate some sort of tax plan. As of now, it has been reported by the Washington Post that the reelection campaign for Trump has met to discuss a furthering of the TCJA or Tax Cuts 2.0 (Stein 2019). The plan his reelection committee has reportedly discussed would be primarily intended for America's middle-income earners. While there are both a lack of details and specifics to any such plan, the report from the Washington Post indicated that the plan would cut the top rate on middle-income earners to 15% from the current rate of 24% (Stein 2019). It must be noted that the Trump campaign has released no official plan whether written, verbal, or otherwise. It is not clear if this plan will be made official or adopted at any point by President Trump and his campaign.

VI. Analysis and Conclusion

1. Biden Tax Plan – Analysis

As with every tax plan, there are various effects that they may have on a variety of aspects of American life. It goes without saying that there are direct effects on individuals and corporations, and federal government revenues when a plan, like that of former Vice President Joe Biden, increases certain federal income tax rates. However, there also can be indirect effects tax plans have on those same groups due to how a tax plan might affect the economy. Of course, any analysis that suggests a tax plan will have an effect one way or another is strictly a projection. The actual effects cannot be known until the implementation of such a plan. Just like was done earlier with the TCJA, analysis from the Tax Foundation and TPC will be broken down, starting with Joe Biden's tax plan.

Beginning with the Tax Foundation analysis, based on the plan released by the Biden campaign and previously discussed in this paper, they found his plan would increase federal government revenues by nearly $3.8 trillion in the 10 years from 2021 through 2030 (Li et al. 2020). That is from their static revenue projections, which as described earlier do not take into account the economic affects the Biden tax plan would have. Their dynamic revenue projections, which do in fact consider the economic effects of tax plans, sees the plan less favorably in terms of revenues generated from 2021 through 2030. Those projections see the tax plan of former Vice President Biden as generating just over $3.2 trillion during those 10 years. So, once the Tax Foundation projections have taken into account the economic side of the tax plan, they project the Biden plan to generate nearly $600 billion less in federal government revenues. As for the economic projections that led to the less revenue projections under the dynamic model, the Tax Foundation views the Biden tax plan as one that would push GDP down by 1.51% over the 10 years their projections ran. They also see capital stock taking a significant hit during the 10 years between 2021 and 2030, dropping by 3.23%. As for wages, likely the most tangible projection the Tax Foundation makes for the average American, they see the Biden tax plan pushing them down by nearly 1%, .98% to be exact. On that same page, their projections over a 10-year period see America losing 585,000 jobs as a result of the Biden tax plan (Li et al. 2020). All said, outside of increased revenues, the Tax Foundation does not appear to view the former Vice President's tax plan in a positive light.

As for the TPC, they have not yet made such comprehensive projections on the economic effects of the Biden tax plan. It should be noted however, as was discussed previously, the TPC found nearly all of the Tax Foundation's TCJA projections to be outliers and overly optimistic. While the TPC has not yet made projections as to the economic effects of the Biden tax plan, they have looked into the effects such changes would have on the after-tax income of Americans from 2021 through 2030. Their analysis shows that after-tax income would decrease across the board for Americans if the Biden plan were implemented. The lowest quintile would see average after-tax income decrease by .1%, the second quintile would decrease by .2%, the middle quintile would see a .4% decrease in after-tax income, the fourth quintile would decrease by .5%, and the top quintile would take the hardest hit, seeing their average after-tax income decrease by 4.7%. So, while the after-tax income of all Americans would drop by an average of 2.5%, most of that comes from the top quintile, otherwise known as the richest. In fact, the top quintile of income earners would take a 91.9% share of the federal income change under the Biden proposal (T20-0078 2020). This analysis seems to support the fact that the actual Biden tax plan aims to hit the richest the hardest.

2. *Sanders Tax Plan – Analysis*

As discussed above, Senator Bernie Sanders had one of the most revolutionary federal taxation plans of all the candidates running for President during the 2020 cycle. The Tax Foundation did not do a full analysis of the Sanders tax plan seeing as though he was not able to secure the Democratic nomination. However, based on the Tax Foundation analysis of the TCJA and the Biden tax proposal, it certainly is possible to imagine how the Tax Foundation might have viewed the Sander tax plan. While they would likely have projected a significant increase in revenues, they likely would have also projected quite negative economic affects as a result of the Sanders tax plan. In fact, one of the proposals that Sanders was quite loudly promoted, the wealth tax, was analyzed by the Tax Foundation. The wealth tax proposed by Sanders (also adopted by Senator Elizabeth Warren) would have taxed the people on their wealth or value over a certain amount rather than only their income. The Tax Foundation analysis concluded that the wealth tax proposed by Senator Sanders, if implemented, would raise an additional $2.6 trillion but would also decrease the long-run GDP by .43% alone (Smith et al. 2020). In addition, they concluded that such a tax would double the trade deficit, would create significant difficulty with valuations, and would create additional problems regarding tax evasion and avoidance. Alone, that analysis of one of Sanders more aggressive tax policy proposals just begins to show how the Tax Foundation would have likely concluded had they analyzed his entire plan.

The TPC, similarly to the Biden tax plan, did not make any projections as to the economic implications and affects the Sanders tax plan would have had. On the other hand, they did analyze the after-tax income affects that the Sanders campaign tax proposals would have on Americans. It should be noted, in their analysis they excluded the 4% premium tax he has proposed. Again, similar to their after-tax income analysis of the Biden tax plan, the TPC sees Americans across the board experiencing a decrease in after-tax income based on Senator Sanders tax plan. Over the 10 years between 2021 and 2030, the lowest quintile of income earners would experience a .7% decrease in after-tax income, the second quintile would see a 1.1% decrease, the middle quintile would see a 1.5% decrease, the fourth quintile would experience a 1.9% decrease in after-tax income, and finally the top quintile of income earners would see an 11.3% decrease in after-tax income. This equates to the top quintile of earners taking an 86.7% share of the total federal income tax changes (T20-0113 2020). Clearly the top earners take the hardest hit and would absorb the brunt of the tax increase, but interestingly enough, the Biden tax plan leaves the top quintile with a larger share of the burden from the changes according to the TPC. Regardless, the TPC does reflect in their analysis Sanders' desire to hit the highest earners the most and the hardest.

3. Trump Tax Plan – Analysis

As was discussed previously, President Trump and his 2020 reelection campaign have yet to release any official tax plan or proposal for a potential second term. There have been reports about potential cuts for middle-class Americans but there has been very little aside from speculation about any such plan (Stein 2019). For this reason, there currently is no analysis from either the Tax Foundation or the TPC for any second term Trump tax plan.

4. Conclusion

As has been discussed throughout this paper, there are many different visions and proposals for federal taxation in America. Taxation played a major role in spurring on the American Revolution, thus leading to the founding of the United States of America. This, along with the fact that taxation is something that affects just about every working American, is why the topic is so heavily contested in today's political landscape.

Taxation, especially at the federal level, is important for a variety of reasons. Generally, it allows America to defend itself and support its people. Of course, if it was that simple there would not be so much debate between the political parties about taxation. Some see lower rates of taxation on the rich as the best way to promote economic growth and prosperity, while others believe lower rates on the middle-class and increased entitlement programs as the best way to spur economic success. It is likely these debates will rage on for years to come, as we will see a tug-of-war between the two major parties resulting in additional tax reform pulling America in one direction, and then back in another.

Now brings the question, what is the best way forward from here? This paper never set out to answer that question. The goal of this paper was to allow people to see the major plans proposed during this 2020 election cycle. The three plans discussed were proposed by the three men most likely be the next President of the United States. Between now and November it will be up to each American to consider the plans of these candidates and find the candidate (and tax plan) who aligns closest with their own values. Of course, those values go far behind the intent and purpose of this paper, but federal taxation and the plans for it certainly must play a major role in each individuals choice in November, seeing how it affects each American in their daily lives.

VII. Appendix

Exhibit 1:

TABLE 1

Individual Income Tax Brackets and Rates

2018

Prior Law					Tax Cuts and Jobs Act				
Taxable Income ($)					Taxable Income ($)				
Single Filers		Married Couples Filing Jointly		Tax Rate (percent)	Single Filers		Married Couples Filing Jointly		Tax Rate (percent)
Over	But not over	Over	But not over		Over	But not over	Over	But not over	
0	9,525	0	19,050	10	0	9,525	0	19,050	10
9,525	38,700	19,050	77,400	15	9,525	38,700	19,050	77,400	12
38,700	93,700	77,400	156,150	25	38,700	82,500	77,400	165,000	22
93,700	195,450	156,150	237,950	28	82,500	157,500	165,000	315,000	24
195,450	424,950	237,950	424,950	33	157,500	200,000	315,000	400,000	32
424,950	426,700	424,950	480,050	35	200,000	500,000	400,000	600,000	35
426,700	and over	480,050	and over	39.6	500,000	and over	600,000	and over	37

Source: Gale et al. (2018)

Pictured Above: Pre-TCJA Rates vs. TCJA Rates (Gale et al. 2018)

Exhibit 2:

Income	Current Rate	Biden Rate	Bernie Rate
$0-$9,875	10%	10%	
$9,876-$40,125	12%	12%	12%
$40,126-$38,700	12%	12%	16%
$38,701-$85,525	22%	22%	26%
$85,526-$163,300	24%	24%	28%
$163,301-$207,350	32%	32%	36%
$207,350-$250,000	35%	35%	39%
$250,000-$400,000	37%	37%	44%
$400,001-$518,400	37%	39.6%	44%
$518,401-$2,000,000	37%	39.6%	49%
$2,000,001-$10,000,000	37%	39.6%	54%
>$10,000,000	37%	39.6%	56%

Pictured Above: TCJA (Current) Rates, Biden Proposal, Sanders Proposal (Nitti 2020)

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