

*The* **TAX CUTS & JOBS ACT**

# POLICY HIGHLIGHTS

More Jobs. Fairer Taxes. Bigger Paychecks.

## Individuals and Families

- ▶ **Lowers individual tax rates for low- and middle-income Americans to Zero, 12%, 25%, and 35%** so people can keep more of the money they earn throughout their lives, and continues to maintain 39.6% for high-income Americans.
- ▶ **Significantly increases the standard deduction** to protect roughly double the amount of what you earn each year from taxes – from \$6,350 to \$12,000 for individuals and \$12,700 to \$24,000 for married couples.
- ▶ **Eliminates special-interest deductions that increase rates and complicate Americans' taxes** – so an individual or family can file their taxes on a form as simple as a postcard.
- ▶ **Takes action to support American families by:**
  - **Establishing a new Family Credit, which includes expanding the Child Tax Credit** from \$1,000 to \$1,600 to help parents with the cost of raising children, and providing a credit of \$300 for each parent and non-child dependent to help all families with their everyday expenses.
  - **Preserving the Child and Dependent Care Tax Credit** to help families care for their children and older dependents such as a disabled grandparent who may need additional support.
- ▶ **Preserves the Earned Income Tax Credit** to provide important tax relief for low-income Americans working to build better lives for themselves.
- ▶ **Streamlines higher education benefits** to help families save for and better afford college tuition and other education expenses.
- ▶ **Continues the deduction for charitable contributions** so people can continue to donate to their local church, charity, or community organization.
- ▶ **Preserves the home mortgage interest deduction** for existing mortgages and maintains the home mortgage interest deduction for newly purchased homes up to \$500,000 – providing tax relief to current and aspiring homeowners.
- ▶ **Continues to allow people to write off the cost of state and local property taxes** up to \$10,000.
- ▶ **Retains popular retirement savings options** such as 401(k)s and Individual Retirement Accounts so Americans can continue to save for their future.
- ▶ **Repeals the Alternative Minimum Tax** so millions of individuals and families will no longer have to worry about calculating their taxes twice each year and pay the higher amount.
- ▶ **Provides immediate relief from the Death Tax by doubling the exemption and repealing the Death Tax after six years.** Family-owned farms and businesses will no longer have to worry about double or triple taxation from Washington when they pass down their life's work to the next generation.

## Job Creators of All Sizes

- ▶ **Lowers the corporate tax rate to 20%** – down from 35%, which today is the highest in the industrialized world – the largest reduction in the U.S. corporate tax rate in our nation’s history.
- ▶ **Reduces the tax rate on the hard-earned business income of Main Street job creators to no more than 25%** – the lowest tax rate on small business income since World War II.
- ▶ **Establishes strong safeguards to distinguish between individual wage income and “pass-through” business income** so Main Street tax relief goes to the local job creators it was designed to help most.
- ▶ **Allows businesses to immediately write off the full cost of new equipment** to improve operations and enhance the skills of their workers – unleashing the growth of jobs, productivity, and paychecks.
- ▶ **Protects the ability of small businesses to write off the interest on loans** that help these Main Street entrepreneurs start or expand a business, hire workers, and increase paychecks.
- ▶ **Retains the low-income housing tax credit** that encourages businesses to invest in affordable housing so families, individuals, and seniors can find a safe and comfortable place to call home.
- ▶ **Preserves the Research & Development Tax Credit** – encouraging our businesses and workers to develop cutting-edge “Made in America” products and services.
- ▶ **Strengthens accountability rules for tax-exempt organizations** to ensure the churches, charities, foundations, and other organizations receiving tax-exempt status are focused on helping people and communities in need.
- ▶ **Modernizes our international tax system** so America’s global businesses will no longer be held back by an outdated “worldwide” tax system that results in double taxation for many of our nation’s job creators.
- ▶ **Makes it easier and far less costly for American businesses to bring home foreign earnings** to invest in creating jobs and increasing paychecks in our local communities.
- ▶ **Prevents American jobs, headquarters, and research from moving overseas** by eliminating incentives that now reward companies for shifting jobs, profits, and manufacturing plants abroad.