



# HOW THE CANDIDATES CAN IMPACT YOUR TAX BILL

By Jacob Ansel

**THERE'S A CONTENTIOUS PRESIDENTIAL** election looming which can have real implications on your wallet. Republicans and Democrats consider the economy the top issue in this year's election, and the candidates' tax plans may be a deciding factor for many voters. Presidential elections always brings changes to our tax laws, and every four years presidential hopefuls paint idealistic portraits of how they'll reshape America. But with 76% of Americans living paycheck to paycheck, a few hundred dollars here or there can make a difference.

Our nation's tax policy has been a divisive issue for some time, and this year is no exception. A recent Gallup poll indicates Republicans are more likely to focus on the federal budget deficit whereas Democrats express greater concern over income inequality and employment. No matter your political leaning, economic progress after the election may be directly impacted by the candidates' tax plan which vary widely. Hillary Clinton sees the current tax code as the biggest battle over income inequality and reforming it is the best way for the wealthiest to pay more while easing the burden on the middle class. Donald Trump wants to cut taxes at all income levels, with the largest benefits – in dollar and percentage terms – going to the highest-income households.

In broad strokes, Clinton wants to tax the wealthy at a higher rate and leave tax rates for the middle class largely the same. The greatest tax increase

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***Politicians promise all sorts of changes that can help taxpayers. Before making your presidential pick, be aware that it can have a direct impact on your wallet. The candidates' tax plans could have a lasting effect on the American economy as well as on your paycheck.***

would be on the top 1%, those earning more than \$732,000 a year. The top .1% – those with incomes over \$3.8 million – would see their taxes rise more than \$500,000. The bottom 20%, those making less than \$23,000 or less, would see their taxes go up \$4 a year. Most Americans, those earning \$80,000 to \$142,000, would see their taxes go up \$44 a year. The top 20%, those who make \$209,000 or more, would see an average tax hike of \$4,527.

Clinton plans to introduce her economic package – including Wall Street reform and tax reductions for the middle class – in her first 100 days in office. That plan would generate \$1 trillion in additional revenue for the government over the first decade and another \$2 trillion over the next 20 years. Three-fourths of those funds will come from the top 1% of earners.

Clinton also wants an exit tax that penalizes mergers between U.S. companies and foreign corporations structured to reduce their taxes.

Trump is less forthcoming on his economic agenda, but there are some basic points which have emerged. Trump

wants to make your paycheck bigger. His tax plan would increase take-home pay for all Americans by significantly cutting taxes regardless of income level. Unsurprisingly the ones who would benefit most are the wealthiest Americans.

Trump wants to remove the federal income tax for folks earning less than \$25,000 (couples earning less than \$50,000), reduce the highest tax rate from 39.6% to 25%, and cut corporate taxes to 15%. The Republican candidate also supports significant business tax cuts. Trump notoriously refuses to share his tax returns, but he makes no secret of wanting to keep more money in his own pocket. In one recent interview, Trump said he tries to minimize his personal taxes because he doesn't approve of how the government spends tax dollars. "I try to pay as little tax as possible, because I hate what they do with my tax money. I hate the way they spend our money, the way they give it to Iraq, the way they give it to Iran."

The Tax Policy Center notes: "Trump's proposal would cut taxes at all income levels, although the largest benefits, in dollar and percentage terms, would go to the highest-income households. However, unless it is accompanied by very large spending cuts, it could increase the national debt by nearly 80% of gross domestic product by 2036, offsetting some or all of the incentive effects of the tax cuts." Trump promises to grow the economy by discouraging corporate inversions, adding American jobs, and giving major corporate tax incentives to U.S. businesses.

Whatever your politics, do your homework and vote.

