

Fact Sheet: Tax Reform Comparison

Category	Current Law	House Bill	Senate Bill
Individual Rates	Seven brackets: 10%; 15%; 25%; 28%; 33%; 35%; 39.6%	Four brackets: 12%; 25%; 35%; 39.6%	Seven brackets: 10%; 12%; 22.5%; 25%; 32.5%; 35%; 38.5%
Corporate Rate	Top tax rate of 35%	▼ 20%	▼ 20% (Delayed until 2019)
Standard Deduction	Single: \$6,350 Married Couple: \$12,700	▲ Individual: \$12,000 Married Couple: \$24,000	▲ Individual: \$12,000 Married Couple: \$24,000
Alternative Minimum Tax	Limits certain tax benefits for high-income earners	✘ Eliminated	✘ Eliminated
Business Expensing	Depreciation schedules, including some bonus expensing provisions	Full business expensing for five years, limited to non-structures	Full business expensing for five years, limited to non-structures Some structure depreciation accelerated
Estate Tax	Taxes estate property valued at more than \$5.5 million (\$11 million if transferred to spouse)	▲ Exemption increased to \$11 million (\$22 million for spouse) ✘ Full elimination by 2024	▲ Exemption increased to \$11 million (\$22 million for spouse) ■ No elimination
State & Local Deductions	Allows taxes paid to states and property taxes to be deducted from federal taxes	✘ Eliminates deductions for state and local taxes ▼ \$10,000 cap on property tax deduction	✘ Eliminated
Pass-Through Rates	"Pass-Through" businesses are generally subject to tax rates at the individual owner level	Passive owners will receive the full 25% rate Owner-operator income generally will be treated as 70% labor, 30% pass-through Professional service firms will have 100% of income treated as labor Certain lower-income small businesses eligible for a 9% rate	17.4% deduction of business income, except for medium and large service businesses Eligible businesses receive a 31.8% top rate on business income
Child Tax Credit	\$1,000 per child (for families making less than \$110,000)	▲ \$1,600 per child, extends credit to those earning \$230,000, adds \$300 credit per non-child dependent ✘ Expires in 2023	▲ \$1,650, and a slower phase-out for higher income households ■ Preserves existing non-child dependent credit
Mortgage Interest Deduction	\$1 million deduction on primary and secondary residences	▼ Reduced to \$500,000 ✘ Eliminates exemption for second home	■ No change
Charitable Deductions	Limited to 50% of taxable income	▲ Increased to 60% of taxable income	▲ Increased to 60% of taxable income
Primary Home Capital Gains	Mostly tax exempt	■ No change	\$250,000 cap for individuals ▼ \$500,000 cap for joint-filers "Primary Home" definition tightened
Medical Expense Deduction	Personal medical and dental expenses deductible	✘ Eliminated	■ No change