



Candidate	Barack Obama	John McCain
New Tax Cuts	<p>Refundable Making Work Pay tax credit of 6.2 percent of earnings up to a maximum of \$8,100</p> <p>Refundable Universal Mortgage Credit of 10 percent of mortgage interest for nonitemizers, capped at \$800 (\$8,000 of interest)</p> <p>Eliminate income tax for senior making less than \$50,000 per year</p> <p>First-time buyers tax credit for new farmers</p> <p>Small Business and Microenterprise Initiative tax credit of 20 percent on up to \$50,000 of investment in small owner-operated businesses</p>	<p>Allow first-year deduction of 3 and 5-year equipment, deny interest deduction (expires)</p> <p>Reduce maximum corporate tax rate from 35 percent to 25 percent</p> <p>Increase the dependent exemption by 70 percent (phased in)</p> <p>Suspension of the federal gas tax (18.4 cents per gallon) from this Memorial day until Labor Day</p>
Adjustments to Existing Credits	<p>Make R&D and renewable energy production tax credit (wind, solar) permanent</p> <p>Extend childless EITC phase-in range and increase phaseout threshold, double the phase-in and phase-out rates for childless individuals paying child support, increase EITC phase-in rate to 45 percent for families with three or more children; increase add-on to EITC phase-out threshold for married filers to \$5,000</p> <p>Make CDCTC refundable and allow low-income families to receive up to a 50 percent credit for child care expenses</p> <p>Make saver's credit refundable and change to a 50 percent match of the first \$1,000 of savings, phases out beginning before \$75,000</p> <p>Increase Hope credit 100% match rate to \$4,000 for college education and make refundable, rename American Opportunity Tax Credit</p> <p>Mandate automatic 401(k)s and automatic IRAs</p>	<p>Convert R&D credit to 10 percent of wages incurred for R&D, make permanent</p>
Capital Gains	<p>Increase maximum capital gains rate to 20 percent</p> <p>Require information reporting of basis for gains</p> <p>Eliminate capital gains taxation of start-up businesses and provide capital gains tax break for landowners selling to beginning family farmers</p>	<p>Keep the current rates on dividends and capital gains</p>
Bush Tax Cuts	<p>Permanently extend marriage penalty relief, adoption credit expansions, 10, 15, 25, and 28% rates, EITC simplification</p> <p>Restore 36 and 39.6% statutory income tax rates, Restore PEP and Pease phaseouts for households making more than \$250,000, increase in PEP and Pease threshold</p>	<p>Make permanent all provisions other than the estate tax repeal</p>
Alternative Minimum Tax	<p>Extend and index 2007 AMT patch</p>	<p>Extend and index 2007 AMT patch, further increase exemption by 5 percent in excess of inflation after 2013 (temporarily)</p>
Estate Tax	<p>Make permanent estate tax with \$3.5 million exemption and 45 percent rate</p>	<p>Make permanent estate tax with \$5 million exemption and 15 percent rate</p>
Simplification	<p>Give taxpayers the option of pre-filled tax forms to verify, sign, return to IRS</p>	<p>Give taxpayers the option of an alternative tax system with two rates and larger standard deduction and personal exemption</p>
Revenue Raisers and Tax Havens	<p>Eliminate oil and gas loopholes</p> <p>Close loopholes in the corporate tax deductibility of CEO pay</p> <p>Tax carried interest as ordinary, Increase the highest bracket for capital gains and dividends</p> <p>Reallocate multinational tax deductions</p> <p>Codify economic substance doctrine</p> <p>Create international tax haven watch list</p> <p><u>Other unspecified revenue raising provisions</u></p>	<p>Eliminate oil and gas loopholes</p> <p>Unspecified corporate base broadeners</p> <p>Eliminate earmarked projects from the budget, freeze nonmilitary discretionary spending for one year, eliminate programs.</p>
Health	<p>Income-related federal tax subsidies for health insurance</p>	<p>Replace exclusion from income for employer sponsored health insurance with refundable credit of \$2,500 for individuals and \$5,000 for families</p>
Other	<p>Social Security/payroll taxes: impose additional tax of 2-4 percent (combined employer and employee) on workers with income above \$200,000 (\$250,000 for married couples)</p>	<p>Require a 3/5 majority vote in Congress to raise taxes</p> <p>Ban internet and cell phone taxes</p> <p>Higher premiums for Medicare prescription drug coverage for single people earning more than \$82,000 and couples earning more than \$164,000</p>