



Candidate	Barack Obama	John McCain
New Tax Cuts	<p>Refundable "Making Work Pay Credit" of 6.2 percent of earnings up to a maximum earnings of \$8,100 per worker</p> <p>Refundable "Universal Mortgage Credit" of 10 percent of mortgage interest for nonitemizers up to \$800</p> <p>Eliminate income tax for seniors making less than \$50,000 per year</p> <p>Make Research and Development and renewable energy production tax credit (wind, solar) permanent</p> <p>Extend childless Earned Income Tax Credit (EITC) phase-in range and increase phaseout threshold; increase EITC phasein 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 Child and Dependent Care Tax Credit refundable and equal to 50 percent of child care expenses less than \$6,000</p> <p>Make Saver's Credit refundable and change to a 50 percent match of the first \$1,000 of contributions</p> <p>Rename the Hope Credit the "American Opportunity Tax Credit" and expand it to a refundable credit of 100% of the first \$4,000 of college expenses</p> <p>Provide a refundable \$3,000 per employee credit for increases in employment for firms with growing employment</p> <p>Eliminate the taxation of unemployment insurance</p>	<p>Allow first-year deduction of 3 and 5-year equipment, deny interest deduction (expires after 2013)</p> <p>Reduce maximum corporate income tax rate from 35 percent to 25 percent (phased in by 2015)</p> <p>Increase the dependent exemption by two-thirds (phased in by 2016)</p> <p>Convert Research and Development credit to 10 percent of wages incurred for research and development, make permanent</p> <p>Tax the first \$50,000 of withdrawals from IRAs and 401ks at 10 percent in 2008</p> <p>Exempt unemployment insurance benefits from tax in 2008 and 2009 for those making less than \$100,000</p>
Capital Gains	<p>Increase maximum capital gains rate to 20 percent for those earning more than \$200,000 (\$250,000 for married couples)</p> <p>Require information reporting of basis for gains</p>	<p>Make permanent current rates on capital gains and dividends, (0 and 15 percent)</p> <p>Increase the amount of capital gains that can be deducted against ordinary income to \$15,000 in 2008 and 2009</p> <p>Reduce the tax rate on long-term capital gains to 7.5 percent in 2009 and 2010</p>
2001/2003 Tax Cuts	<p>Permanently extend child credit expansions, 10, 15, 25, and 28 percent rates, and changes to tax implications of marriage</p> <p>Restore 36 and 39.6 percent statutory income tax rates in 2009</p> <p>Restore phaseouts of personal exemptions and itemized deductions (PEP and Pease) for households making more than \$200,000 (\$250,000 for married couples), increase the 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 additional 5 percent per year 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>Provide taxpayers with simple returns the option of pre-filled tax forms to verify, sign, return to IRS</p>	<p>Create optional alternative tax 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 income</p> <p>Reallocate multinational tax deductions</p> <p>Impose a windfall profits tax on oil and gas companies</p> <p>Require publicly traded financial partnerships to pay corporate income tax</p> <p>Codify economic substance doctrine (requires transactions that qualify for tax benefits have economic justification beyond those benefits)</p> <p>Create an international tax haven watch list of countries who do not share information with the U.S. and require greater financial disclosure to decrease tax shelters</p>	<p>Repeal domestic production activities deduction</p> <p>Eliminate oil and gas loopholes</p> <p>Unspecified corporate base broadeners</p>
Health	<p>Income-related federal tax subsidies for health insurance purchased through new health insurance exchange</p> <p>Require employers to provide insurance or pay a percentage of payroll to support the national plan</p> <p>Small business healthcare tax credit of 50 percent of employer paid premiums</p>	<p>Replace exclusion from income for employer sponsored health insurance with refundable credit of \$2,500 for individuals and \$5,000 for families who purchase qualifying health insurance</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>Allow penalty-free withdrawals of up to 15 percent from retirement accounts</p> <p>Mandate automatic 401(k)s and automatic IRAs</p>	<p>Ban internet and cell phone taxes</p> <p>Suspend rules that require distributions from IRAs at age 70.5</p>