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.