	Current Law	Donald Trump Proposal	Joe Biden Proposal	Potential Planning Opportunities
Individual Tax Rates	Federal income tax brackets ranging from 10% – 37%.	No changes proposed, but considering 10% tax rate cut for middle class effectively lowering the 22% rate to 15%.	Maintain current brackets, but increase top bracket to 39.6% for taxpayers with taxable income over $400,000.	• Accelerate income into 2020. • Convert Traditional IRA to Roth IRA to avoid tax on converted assets and appreciation on such assets.
Capital Gains and Dividends	Current capital gains rates: $0 – $40,000 = 0% $40,001 – $441,450 = 15% $441,451+ = 20% *Rates above do not include 3.8% net investment income tax.	No changes proposed, but considering cutting the maximum capital gains rate to 15%.	For taxpayers with income over $1M, capital gains and qualified dividends subject to ordinary income tax rates (39.6%).	• Realize long-term capital gains to lock in current rates. • Reinvest capital gains proceeds in qualified opportunity zone funds before rules potentially reformed. • Defer selling stocks and recognizing losses to future tax years when capital gains may be taxed at a proposed higher rate.
Corporate Tax Rates	21% corporate tax rate.	No changes proposed.	28% corporate tax rate plus 15% corporate alternative minimum tax on net earnings in excess of $100M.	• Accelerate income into 2020. • Defer deductions until after tax increases enacted. • Accelerate sales of companies.
Payroll Taxes	12.4% Social Security tax on income up to $137,000 for 2020 (adjusted yearly	For September 1, 2020-December 31, 2020, withholding, deposit and	12.4% Social Security tax on individual earnings over $400,000. Creates a	• Accelerate income into 2020.

	Current Law	Donald Trump Proposal	Joe Biden Proposal	Potential Planning Opportunities
	for inflation) with 6.2% paid by the employer and 6.2% paid by the employee, unless self-employed.	payment of employee's 6.2% share of Social Security tax is deferred for individuals earning up to $104,000.	"donut hole" in the current Social Security payroll tax, where wages between $137,700, the current wage cap, and $400,000 are not taxed.	
Itemized Deductions	No cap on itemized deduction benefit. $10,000 cap on state on local tax (SALT) deduction. Interest paid on home mortgage limited to $750,000 of acquisition indebtedness (unless loan existing on or before December 15, 2017). Charitable contribution limitation generally 60% of adjusted gross income (AGI) modified by CARES Act: • Cash (100% public charities, 60% donor advised funds/supporting organizations, 30% private foundations)	No changes proposed.	Itemized deduction cap of 28% for taxpayers with taxable income over $400,000. Eliminate current $10,000 SALT deduction cap.	• Accelerate itemized deductions into a tax year where limitation is not yet implemented. • Consider multi-year bunching strategies. • Consider charitable deduction planning strategies.

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	• Long-term appreciated publicly traded securities (30% public charities, 30% donor advised funds/supporting organizations, 20% private foundations) Miscellaneous deductions subject to 2% floor suspended.			
Qualified Business Income (QBI) Deduction	20% QBI deduction, subject to limitations and phase-outs.	No changes proposed.	Keep QBI deduction, but phase-out for taxpayers with taxable income over $400,000 and repeal certain rules for real estate.	• Consult tax advisor to plan for any potential changes to QBI deduction rules.
Estate, Gift and Generation-Skipping Transfer Taxes	$11.58M exemption per person scheduled to sunset at the end of 2025.	No changes proposed.	Reduce gift tax exemption to $1M and estate and GST exemption to $3.5M.	• Gift appreciated assets now to utilize remaining exemptions (see examples below). • Review estate plan to confirm any formula clauses work in light of potential decreases to exemptions and plan provides flexibility in light of any potential tax law changes.

	Current Law	Donald Trump Proposal	Joe Biden Proposal	Potential Planning Opportunities
Taxable Estates	Rates ranging from 18% to 40%. Rate for estates over $1M is 40% plus $345,800.	No changes proposed.	Increase top rate for estate tax to 45%.	• Implement techniques to reduce taxable estate (see examples below).
Basis Step-Up	Currently, basis of assets passed on to beneficiaries at death is increased to the fair market value of the asset as of the death of the deceased.	No changes proposed.	Eliminate basis-step up and capital gains subject to tax at death.	• Use spousal lifetime access trusts (SLATs) to reduce impact of elimination of basis step-up while utilizing exemption and providing flexibility by allowing grantor's spouse access to funds, if needed. • Create and fund private foundation with qualified appreciated stock with low basis.
Current Environment	The current environment, which has been accompanied by the COVID-19 pandemic, depressed asset values, volatile markets and historically low interest rates presents additional traditional and unique planning opportunities to consider.			• Implement an estate plan to make sure affairs are in order. • Review current estate plan to make sure current plan aligns with goals and potential tax law changes. • Consider estate planning opportunities with interest rate based vehicles (e.g., sales to intentionally

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				defective irrevocable trusts (IDGTs), intra-family loans (new or refinanced), establishing grantor retained annuity trusts (GRATs) or charitable lead annuity trusts (CLATs)). • Transfer assets that have declined in value (e.g., use annual gift tax exclusion, transfer interests in a family limited partnership (FLP) or LLC at a discount as a result of lack of control and/or marketability of asset). • Convert Traditional IRA to Roth IRA to avoid tax on converted assets and appreciation on such assets.