

U.S. POST ELECTION TAX PREDICTIONS

Transnational Tax Network Conference
Sao Paulo – December 1, 2016

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1. Caution with Predictions

2. Estate Tax

a. Repeal or Reduction

b. Replace with What?

c. For How Long?

d. Strategies Have Other Purposes?

e. What about Gift Tax?



5. U.S. Dollar

6. Health Care

7. Trade

a. Tariffs

b. Current Trade Agreements



STATE TAXES IN THE U.S.A.

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1. Corporate Tax

a. Federal – 34%

b. State

- California – 8.84%

- Florida – 5.5%

- New York – 6.5%

- Texas – Gross Receipts Tax

- See Chart

c. State Tax Reduced From Federal income therefore Florida Blended Rate is 37.63% currently/29.125% Trump rate

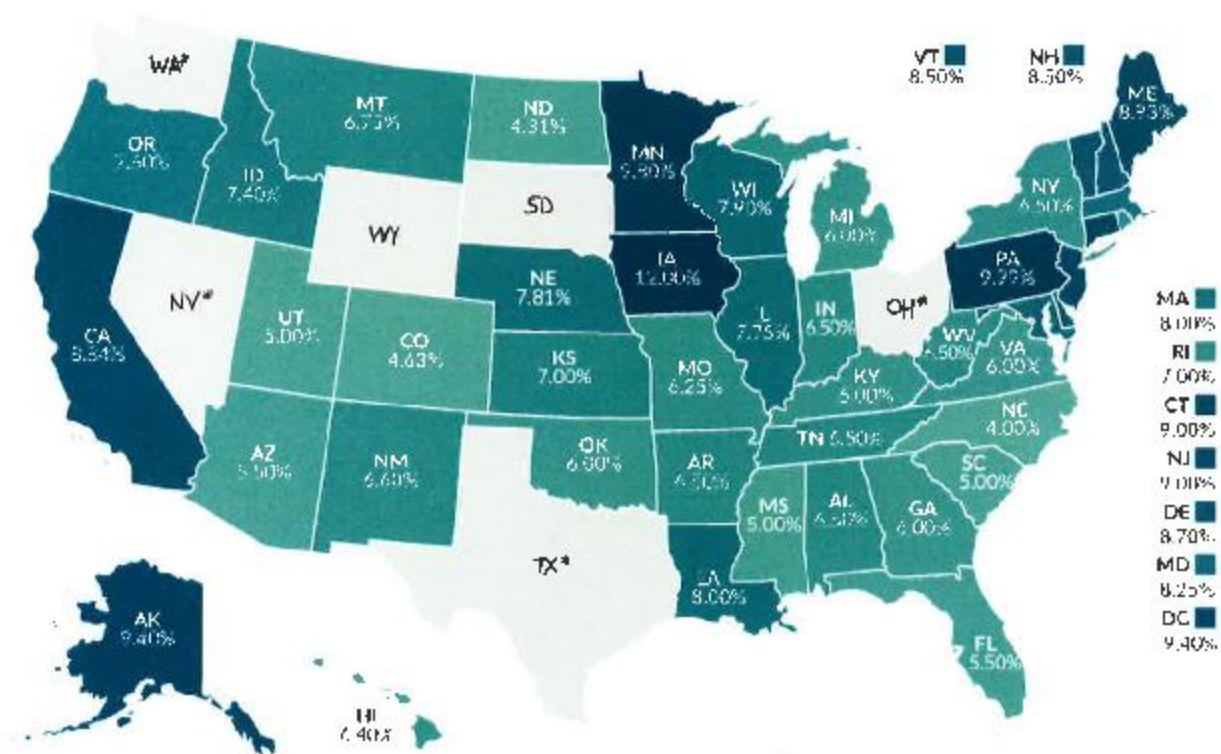
d. What income is subject to State income tax?

e. Minimum corporate tax is some states

f. Allocation between states

How High Are Corporate Income Tax Rates in Your State?

Top State Marginal Corporate Income Tax Rates in 2016



Note: (1) Nevada, Ohio, Texas, and Washington do not have corporate income taxes but do have gross receipts taxes with no or a limited ability to equalize to corporate income tax rates. Arkansas assesses a surcharge of 2% of the taxpayer's total liability. Connecticut's rate includes a 20% surtax. Delaware and Virginia have gross receipts taxes in addition to their corporate income taxes. Illinois' rate includes both separate corporate income taxes, one at a 5.25% rate and one at a 2.5% rate. The 0% rate in Indiana will decrease to 6.25% on July 1, 2017.

(2) Asterisks indicate states that do not have corporate income taxes. Consult your CPA for more information.

Top State Marginal Corporate
Income Tax Rate



2. Sales Tax (not VAT)

- a. Did sale take place in state?
- b. Supplement by use tax?
- c. Internet sales?
- d. Exemptions
 - i. Dealer
 - ii. Export
 - iii. Repairs



3. Individual Taxes

a. Federal $39.6\% + 3.8\% = 43.4\%$ / 33% Trump rate

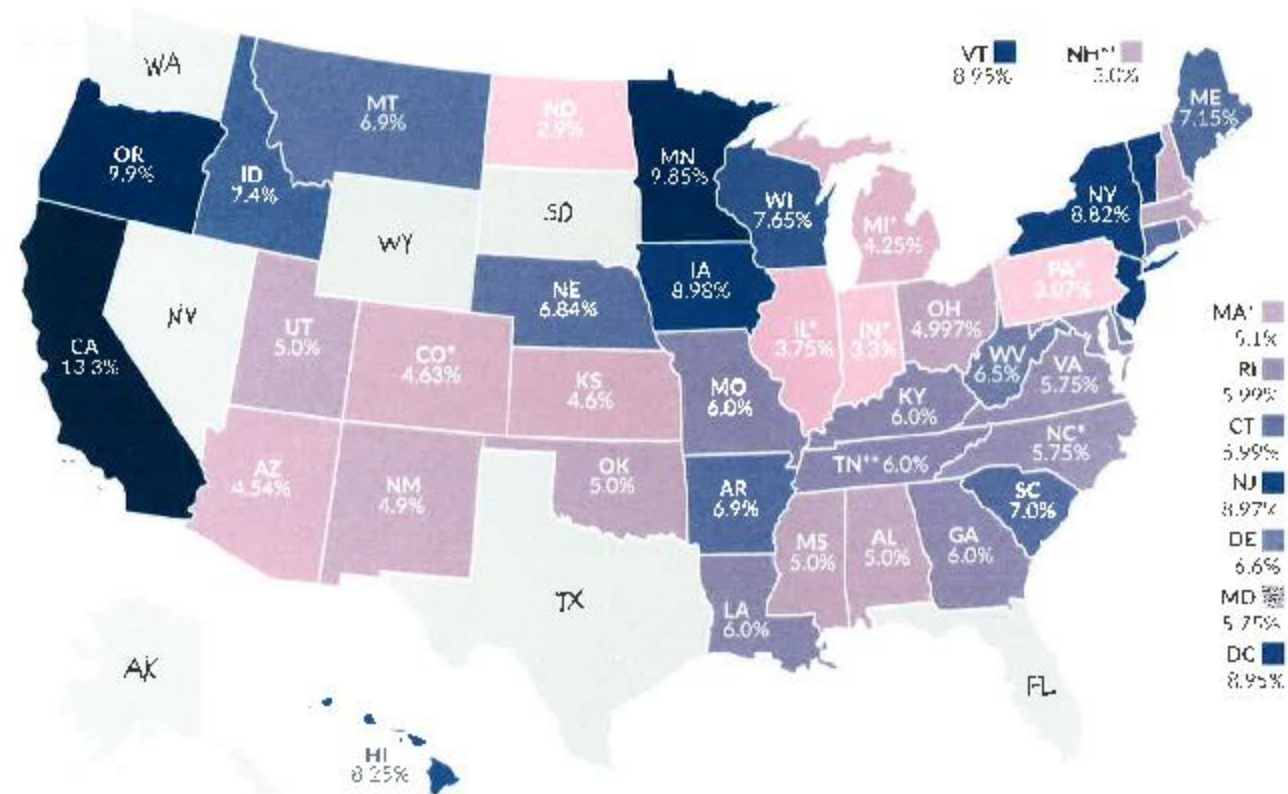
b. State

- California – 13.3%
- Florida – 0%
- New York – 8.82%
- Texas – 0%
- See chart

4. California/Federal Blended Rate – 50.92% / 41.91%
Trump Rate

How High Are Income Tax Rates in Your State?

Top State Marginal Individual Income Tax Rates, 2016



Note: 1. State has a flat income tax. 2. State also only taxes interest and dividend income. Map shows top marginal rates. The maximum rate may vary in each state. It is not an effective marginal rate, which would include the effects of phase-outs of various tax preferences, capital income taxes, and tax credits.

Source: Tax Foundation and author's analysis.