

TRUMP'S TAX PROPOSALS

Transnational Tax Network Conference - Hong Kong – February 27, 2017

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BORDER ADJUSTMENT TAX

- The cost of imported goods – not deductible
- Sales overseas (if produced in U.S.) - not taxable
- Less incentive to move production out of U.S.

INDIVIDUAL INCOME TAX

- Trump wishes to reduce tax rates from the current seven brackets to three brackets: 12%, 25% and 33%.
- Itemized deductions would be capped at \$100,000 for singles and \$200,000 for married filing jointly
- Most itemized deductions, other than mortgage interest and charitable contributions, would be eliminated

CORPORATE INCOME TAX

- Trump proposes a tax cut from the current 35% to 15%.
- While not confirmed, it is *possible* that this 15% could apply not only to corporations but to all business entities, including pass throughs
- Trump believes more American companies will keep their business in the U.S. as the corporate rate becomes more competitive with that of other countries
- Repatriation of offshore funds

ESTATE AND GIFT TAX

- Trump would prefer to repeal estate tax (also known as “death tax”), but would instead apply a capital gains tax on total assets valued over \$10 million.
- There is some thought that many assets will be placed in trust to defer this new capital gains tax at death.
- Gift tax could remain (so could estate tax)
- Expatriation tax could remain