



Tax Policy Platform

Sen. Elizabeth Warren (D-MA)



Individual Taxes

- Ultra-Millionaire Tax
- Increasing the Estate-Tax Exemption
- Anti-Evasion Measures



Corporate Taxes

- Real Corporate Profits Tax
- Other Corporate Tax Provisions



Social Safety Net

- Boosting Social Security
- Earned Income Tax Credit
- Child Tax Credit

Warren's Proposals





Individual Taxes

Ultra-Millionaire Tax



How it works: Under the plan, the richest 0.1% of households (75,000 households) would pay an annual: (a) 2% on every dollar of net worth above \$50 million; and (b) 3% tax on every dollar of net worth above \$1 billion.



Closer Look

- According to some studies of Warren's tax plan, the top-five wealthiest individuals would see drastic reductions in net worth as a result of Warren's plan.
- While Warren's tax is unlikely to gain traction, it is the most radical of the wealth taxes proposed by Democratic candidates.
- Warren seems to favor the wealth tax in lieu of increasing the top income tax rate, though it is possible that she considers both.



Warren plans to use the proceeds from this tax to cancel \$50,000 in student loan debt for every person with household income under \$100,000. The plan would phase out debt cancellation for households with income between \$100,000 and \$250,000.

Increasing the Estate-Tax Exemption

Exemption Threshold

Warren would restore the estate-tax exemption amounts to 2009 levels and raise rates. The estate tax exemption threshold would decrease from \$11 million for individuals (\$22 million for couples) under the TCJA to \$3.5 million for individuals (\$7 million for couples).

Tax Rates

Tax rates will increase from the current 40% flat rate to 55% for the portion between \$3.5 million to \$13 million and 60% for the portion between \$13 million to \$93 million.



Billion-Dollar Estates

Warren would also levy a 10% surtax on the portion of estates over \$1 billion. According to Warren's campaign this would impact 0.5% of estates or 14,000 families.

Investment

Warren would use the proceeds of this tax to invest in rural housing programs and create a new Middle-Class Housing Emergency Fund.

Anti-Evasion Measures



The ultra-millionaire tax would also include strong anti-evasion measures, including but not limited to:

- A significant increase in the IRS enforcement budget
- A minimum audit rate for taxpayers subject to the tax
- A 40% "exit tax" on the net worth above \$50 million of any citizen who renounces their citizenship
- A systematic third-party reporting that builds on existing tax information exchange agreements adopted after the passage of Foreign Account Tax Compliance Act (FATCA)



Real Corporate Profits Tax

Other Corporate Tax Provisions

Corporate

Real Corporate Profits Tax

How it Works:



- Warren would retain the current 21% corporate income tax rate for any company's first \$100 million in profits reported to investors.
- However, for companies with over \$100 million in profits, every dollar of profit over \$100 million would be taxed at an additional 7%.
- This would apply to about 1,200 companies.



Other Corporate Tax Provisions: Warren has also generally stated that she would close TCJA corporate tax loopholes that incentivize companies to shift profits to offshore tax havens.



Boosting Social Security

Earned Income and Child Tax Credits

Social Safety Net

Boosting Social Security



How it works: Warren plans to increase Social Security benefits by \$200 a month for beneficiaries, while ensuring that the Social Security fund remains solvent through 2054. This is a sizeable increase in benefits, given that the average Social Security monthly benefit is about \$1,400.



Closer Look

- In order to finance this proposal she would impose a 14.8% payroll tax on wages above \$250,000 (\$400,000 for families). It would be split equally between employees and employers at 7.4% each.
- The current Social Security payroll tax is 12.4% on wages up to the first \$132,900 in income, split evenly between the employer and employee.



Warren's plan for ensuring the solvency of Social Security is similar to that of other top contenders in the 2020 Democratic primary.

Earned Income and Child Tax Credits



Earned Income Tax Credit

- Warren currently advocates a proposal that would increase the EITC by 25% for families with children.



Child Tax Credit

- Increase the CTC from \$2,000 per qualifying child to \$3,000 per qualifying child, with an additional \$600 bump up for children under the age of six.

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