



McCain

McCain v. Obama Tax Plans

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Obama

Individual Income Taxes

Maintain Bush tax cuts.
 Double personal exemption to \$7,000.

Repeal Alternative Minimum Tax (AMT).
 Maintain maximum income tax rate of 35%.
 Maintain 15% maximum rate on dividends and long-term gains.
 Maintain \$250,000 (\$500,000 for married couple) exclusion on sale of home.

Roll back Bush tax cuts on those making over \$250,000.
 Expand earned income credit, giving those making less than \$150,000 a \$500 tax credit per person on first \$8,100 income.
 Maintain AMT with indexing for inflation.
 Restore maximum income tax rate to 39.6%.
 Increase maximum rate on dividends and long-term capital gains to somewhere between 20% and 28%.
 Maintain \$250,000 (\$500,000 for married couple) exclusion on sale of home.

Here's how the average tax bill could change in 2009 if either the McCain or Obama tax plans were fully in place.

	McCain	Obama
Income	Avg. tax bill	Avg. tax bill
Under \$19K	\$ (19)	\$ (567)
\$19K - \$38K	\$ (113)	\$ (892)
\$38K - \$66K	\$ (319)	\$ (1,042)
\$66K - \$112K	\$ (1,009)	\$ (1,290)
\$112K - \$161K	\$ (2,614)	\$ (2,204)
\$161K - \$227K	\$ (4,380)	\$ (2,789)
\$227K - \$603K	\$ (7,871)	+ \$ 12
\$603K and up	\$ (45,361)	+ \$ 115,974
Over \$2.9 million	\$ (269,364)	+ \$ 701,885

Payroll Taxes

No change. 6.2% payroll taxes on wages up to \$102,000 per year.

No tax on wages between \$102,000 and \$250,000, but all annual salaries over \$250,000 would be taxed.

Corporate Income Taxes

Reduce the top tax rate from %35% to 25%.

No change.

Estate Taxes

Raise the exemption to \$5 million.
Cut the maximum rate to 15%.

Raise the exemption to \$3.5 million.
Maintain the maximum rate of 45%.

Tax Legislation

Require a 60% majority in both houses to pass a tax increase.

No change. 50% majority required.

National Debt

McCain's tax proposals could increase the national debt by approximately \$4.5 trillion over ten years.

Obama's tax proposals could increase the national debt by approximately \$3.3 trillion over ten years.