

Summary of Major Tax Proposals by GOP Presidential Candidates

By the Tax Policy Center

The Tax Policy Center compares the provisions of the tax plans proposed by the eight major Republican presidential candidates.

Individual Income and Payroll Tax Provisions								
	Rep. Michele Bachmann	Herman Cain	Newt Gingrich	Jon Huntsman	Rep. Ron Paul	Gov. Rick Perry	Mitt Romney	Rick Santorum
Major Federal Tax Issues								
Expiring Tax Cuts ^a	Extend all	Replace	Extend all	Replace	Extend all	No extensions	Maintain current tax rates on personal income	Replace
Tax Rates and Brackets	Reduce number of brackets	Repeal individual income taxes	Choice of current system or 15% single rate	3 rates: 8, 14, and 23%	Replace individual income tax with Fair Tax or Flat Tax after repealing the 16th Amendment	Choice of current system or 20% single rate ^b	Lower rates in the future	Two rates: 10 and 28%
Capital Gains, Dividends, and Interest Income	—	—	Exempt ^c	Exempt capital gains and dividends	Exempt capital gains	Exempt qualified dividends and long-term capital gains	Exempt for households with AGI less than \$200,000	12% rate on capital gains and dividends
Exemptions, Deductions, Credits, and Other Tax Preferences	—	—	1) Allow \$12,000 exemption per person 2) Retain child credit, EITC, and deductions for mortgage interest and charitable contributions 3) Allow tax credit or deduction for health insurance purchased	Eliminate all deductions and credits	Has supported legislation to provide additional tax credits and deductions for education costs, alternative energy, and healthcare	Under alternative system, 1) \$12,500 per person exemption 2) Deductions for charitable contributions, mortgage interest, and state and local taxes 3) Phase out deductions for incomes exceeding \$500,000	Short run: No change Long run: Broaden tax base and reduce and flatten tax rates	1) Retain deductions for charitable giving, home mortgage interest, healthcare, and retirement savings. 2) Triple the exemption for dependent children.

Individual Income and Payroll Tax Provisions (continued)								
Major Federal Tax Issues	Rep. Michele Bachmann	Herman Cain	Newt Gingrich	Jon Huntsman	Rep. Ron Paul	Gov. Rick Perry	Mitt Romney	Rick Santorum
Alternative Minimum Tax	"Fix the AMT" ^a	—	Repeal ^c	Repeal	Repeal	Retain and do not patch under current system; repeal under 20% single-rate system	—	Repeal
Refundable Credits	Eliminate ^d	—	Retain EITC and CTC	Eliminate	—	Eliminate ^e	Retain	Retain
Payroll Tax	—	Repeal	Future repeal ^f	—	—	—	Supports a temporary reduction in payroll tax if properly structured	—
Taxes under the Affordable Care Act of 2010 ^g	Repeal	Repeal	Repeal	Repeal	Repeal	Repeal	Repeal	Repeal
Other Issues	—	Replace individual income and payroll taxes with consumption taxes (see below)	Change to a territorial system	—	Repeal 1993 tax increase on Social Security benefits; eventually exempt Social Security benefits from taxation	1) Eliminate taxes on Social Security benefits 2) For eight years, taxpayers may choose to pay either tax under current law or 20% flat tax	—	Eliminate marriage penalties

^aMost tax cuts enacted between 2001-2010 are scheduled to expire in 2013.

^bGov. Perry would allow taxpayers the option of paying individual income tax under current law for up to eight years. People choosing 20 percent option may not switch back.

^cMr. Gingrich's framework would exempt capital gains and dividends and repeal the AMT in his single-rate tax system. Those changes would not apply to people opting to file under the current tax system.

^dRep. Bachmann proposes that every taxpayer pay some individual income tax. That would require eliminating refundable credits.

^eGov. Perry's flat tax framework would eliminate all refundable credits.

^fGingrich proposes to replace payroll taxes with "personal accounts" in the future.

^gAll the GOP presidential candidates have pledged to repeal the Patient Protection and Affordable Care Act of 2010, presumably including the taxes imposed by the act.

Business Tax Provisions									
Major Federal Tax Issues	Rep. Michele Bachmann	Herman Cain	Newt Gingrich	Jon Huntsman	Rep. Ron Paul	Gov. Rick Perry	Mitt Romney	Rick Santorum	
Corporate Tax Rates	—	Repeal corporate income tax	12.5%	25%	15%	20%	25%	Cut corporate tax rate in half to 17.5% and reduce to 0% for manufacturers	
Tax Preferences	—	—	Full expensing of capital expenditures (equipment and infrastructure)	Eliminate "all loopholes, deductions, and tax expenditures"	—	1) Phase out corporate tax preferences 2) Retain industry-wide energy tax incentives for research and development 3) Full expensing for research and capital expenditures	1) Temporary investment tax credit 2) Extend for one year the expensing of capital expenditures	1) Increase R&D credit from 14 to 20% and make permanent 2) Allow 100% expensing of equipment	
Repatriated Corporate Profits	Allow repatriation at 5% tax rate following limited tax-free period	—	—	Tax holiday	Allow tax-free repatriation	Temporarily lower the tax rate on repatriation to 5.25%	Tax holiday	1) Eliminate tax on repatriated corporate income if used to invest in plant and equipment 2) Tax other repatriated profits at 5.25% rate	
Other	"Make corporate tax code simpler and fairer"	Replace corporate income tax with consumption tax (see below)	—	Change to a territorial system	—	Change to a territorial system	1) Couple further rate reductions with base broadening and simplification 2) Transition to a territorial system	—	

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Consumption Tax Provisions								
Major Federal Tax Issues	Rep. Michele Bachmann	Herman Cain	Newt Gingrich	Jon Huntsman	Rep. Ron Paul	Gov. Rick Perry	Mitt Romney	Rick Santorum
Tax Rate	—	1) 9% "individual flat tax" 2) 9% "business flat tax" 3) 9% "retail sales tax"	—	—	—	—	—	—
Tax Preferences	—	1) Allow deduction for charitable contributions under individual tax; empowerment zones will allow additional deduction for individuals living/working in the zone 2) Under business tax, empowerment zones will allow deductions for payroll of those employed in the zone.	—	—	—	—	—	—
Other	—	Move to the FairTax (a retail sales tax) in the future	—	—	Eventually move to Flat Tax or the Fair Tax after repealing the 16th amendment	—	—	—

Estate Tax Provisions								
Major Federal Tax Issues	Rep. Michele Bachmann	Herman Cain	Newt Gingrich	Jon Huntsman	Rep. Ron Paul	Gov. Rick Perry	Mitt Romney	Rick Santorum
Estate Tax	Repeal	Repeal	Repeal	Repeal	Repeal	Repeal	Repeal	Repeal
<p><i>Note:</i> The Tax Policy Center will update this table as new information becomes available.</p> <p><i>Sources:</i></p> <ol style="list-style-type: none"> 1. Rep. Michele Bachmann, "American Jobs, Right Now: Blueprint for Economic Prosperity and Job Creation," <i>available at</i> http://www.michelebachmann.com/2011/10/bachmann-introduces-american-jobs-right-now-blueprint-for-economic-prosperity-and-job-creation/. 2. Herman Cain, "Cain's Vision for Economic Renewal: 9-9-9," <i>available at</i> http://www.hermaincain.com/wp-content/themes/hc/images/999-for-web-10-12.pdf. 3. Newt Gingrich, "21st Century Contract with America," <i>available at</i> http://www.newt.org/news/lets-bump-plans-comparison-gingrich-and-romneys-tax-plans. "Gingrich's Plan to Restore American Manufacturing is Far Bolder than Romney's," <i>available at</i> http://www.newt.org/news/gingrichs-plan-restore-american-manufacturing-far-bolder-romneys. 4. Jon Huntsman, "Time to Compete: An American Jobs Plan," <i>available at</i> http://www.jon2012.com/jon-email/TimeToCompete.pdf. "Jon Huntsman's Jobs Plan: Lower Taxes, Simplify Code," <i>available at</i> http://articles.latimes.com/2011/aug/31/news/la-pn-huntsman-economy-20110831. 5. Rep. Ron Paul, "Lower Taxes, Keep More of Your Money," <i>available at</i> http://www.ronpaul2012.com/the-issues/taxes/; "Tax Reform Promises Treats, Delivers Tricks," <i>available at</i> http://paul.house.gov/index.php?option=com_content&task=view&id=1067&Itemid=69; "Plan to Restore America," <i>available at</i> http://www.ronpaul2012.com/the-issues/ron-paul-plan-to-restore-america/. 6. Gov. Rick Perry, "Governor Rick Perry's 2020 Vision: Cut, Balance and Grow," <i>available at</i> http://www.rickperry.org/cut-balance-and-grow-pdf/; "Energizing American Jobs and Security," <i>available at</i> http://www.rickperry.org/energizing-american-jobs-pdf/; "My Tax and Spending Reform Plan," <i>available at</i> http://online.wsj.com/article/SB100014240529702477904576651330270547222.html?mod=rss_opinion_main. 7. Mitt Romney, "Believe in America: Mitt Romney's Plan for Jobs and Economic Growth," <i>available at</i> http://mittromney.com/blogs/mitts-view/2011/09/believe-america-mitt-romneys-plan-jobs-and-economic-growth; "Fact Checking the Republican Debate on the Economy," <i>The New York Times</i>, (Oct. 11, 2011), <i>available at</i> http://thecaucus.blogs.nytimes.com/2011/10/11/fact-checking-the-republican-debate-on-the-economy/. 8. Rick Santorum, "Santorum releases 'Made in America' plan to revitalize the economy," <i>available at</i> http://www.ricksantorum.com/pressrelease/santorum-releases-made-america-plan-revitalize-us-economy. 								