
FACTS ON THE REFORM AND GROWTH ACT OF 2017

Top Line:

- Broad-based tax reform will help create high, sustained economic growth leading to 19 million new jobs and rising middle-class incomes. Cutting high tax rates for American businesses will help us compete with China - and win.
- This plan will eliminate loopholes and carve-outs for special interests in Washington and on Wall Street, and lower rates for American families and small businesses.
- More than 42 million middle class families will get a 33 percent cut in their income tax rate, and a family of four earning less than \$40,000 will face no federal income tax whatsoever.

Rate Reductions:

- Collapse the seven tax brackets into three brackets: 10%, 25%, and 28%.
- Top rate on small businesses will fall from 39.6% to 28% - the lowest since Ronald Reagan.
- Corporate tax rate falls to 20%, below China's (which is at 25%).

Special Interests

- To lower rates for families and businesses, we will reduce deductions, carve-outs, and loopholes.
- These provisions reward well-connected Washington and Wall Street insiders rather than the American people.
- Eliminating them will make our tax code fairer and our economy more competitive.

Low-Income Americans:

- Single individual earning \$8,000 will get an additional \$500 earned income tax credit.
- Low-income seniors earning \$10,000 will see their after tax-income rise by \$620.
- 15 million poor families will no longer pay income taxes at all:
 - o Married family of four with incomes below \$38,600 would no longer pay income tax.
 - o Single individuals with incomes below \$15,300 would no longer pay income tax.

Middle-Income Americans:

- Under Jeb's plan, more than 42 million middle class families will get a 33% cut in their income tax rate:
 - o A family of four earning \$50,000 will have their taxes cut in half, saving over \$1,150 a year
 - o A family of four earning \$75,000 will have their taxes cut by 40%, saving \$2,400 a year
 - o A single individual earning \$50,000 would have taxes cut by 35%, saving \$1,911 a year

Simplifying Reforms:

- Today, 47 million Americans itemize their deductions. That number will fall to 13 million, resulting in 34 million who will no longer have to file long, complicated tax forms.
- The elimination of the alternative minimum tax means Americans will no longer have to calculate their income taxes twice.

Deductions:

- To support the generosity of the American people, the plan maintains the charitable giving deduction.
- The state and local tax deduction is eliminated to ensure people in low income tax states are no longer forced to subsidize high-tax, high-spending state governments.
- Low-income families will be able to deduct up to 20% of their income while high-income people will only be able to deduct 7% of their income.

Businesses:

- Special-interest deductions for certain industries are eliminated, but businesses will have lower tax rates.
- If a company buys a piece of equipment that increases productivity, they can now write off the cost of that machine *immediately*, making the U.S. more competitive and creating more jobs.
- Ending the interest deduction for business will mean that government will stop subsidizing corporate and Wall Street debt.

Investment Income:

- Obamacare's growth-destroying taxes on investment income will be eliminated, returning the capital gains tax rate to 20% - the same rate as under President Clinton.
- Only those putting their own capital at risk will be able to benefit from the lower rate on investment income.

Other Provisions:

- Death will no longer be a taxable event with the elimination of the estate tax.
- The marriage penalty will be eliminated and secondary earners will face a 0% tax on their first dollar earned when they enter the workforce.

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Impact of Tax Plan

Taxpayer Type	Adjusted Gross Income	Tax Liability Change	Percent Reduction in Taxes	Percent Change in After Tax Income
Single No Dependents	\$15,300	\$500	100%	3.2%
	\$25,000	\$774	45.4%	3.3%
	\$50,000	\$1,911	33.4%	4.3%
	\$100,000	\$1,911	10.5%	2.3%
	\$250,000	\$4,431	7.1%	2.4%
Married Two Dependents	\$38,600	\$1,000	100%	2.6%
	\$50,000	\$1,148	50.2%	2.4%
	\$75,000	\$2,398	39.7%	3.5%
	\$100,000	\$3,648	37.3%	4.0%
	\$125,000	\$3,823	24.4%	3.5%
	\$250,000	\$3,823	7.8%	1.9%

Note: Change in tax liability is shown for filers who do not currently itemize.

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