- Closing the EV credit leasing loophole ensures that only EV buyers, not lessees, receive tax credits, preserving integrity of the program and preventing misuse of taxpayer dollars.

Tax

Repeal Green Energy Tax Credits
Up to $796 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would repeal credits created and expanded under the Inflation Reduction Act. These credits are related to clean vehicles, clean energy, efficient building and home energy, carbon sequestration, sustainable aviation fuels, environmental justice, biofuel, and more. The full cost of the IRA provisions is about $329 billion, which becomes about $800 billion when paired with the tailpipe emission rule designed to dramatically increase the uptake of EVs and EV credit use. Based on political will, there are several smaller reform options available (starting as low as $3 billion) that would repeal a smaller portion of these credits.

End Employee Retention Tax Credit
$70-75 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Employee Retention Tax Credit (ERTC) is a refundable tax credit aimed at encouraging employers to keep employees on payroll during economic hardships, such as the COVID-19 pandemic. Ending the ERTC would extend the current moratorium on claims processing and eliminate the credit for claims submitted after January 31, 2024, along with introducing stricter penalties for fraud. These changes align with the House-passed *Tax Relief for American Families and Workers Act.*

SSN Requirement for Child Tax Credit
$27.7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would better ensure program integrity by requiring claimants (children *and* parents) to have a Social Security number to be eligible for the CTC. This change enforces a clear eligibility requirement based on Social Security numbers valid for employment, directly aligning these credits with the principle of supporting those who contribute to the economy through work. This measure not only streamlines administration, potentially reducing fraud, but also reinforces the idea that tax-based benefits should reward work and support families genuinely eligible under the law. TCJA included a provision that required a SSN for each child to claim the CTC which is expiring in 2025.

Endowment Tax Expansion to 14 Percent Rate
$10 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The 2017 Tax Cuts and Jobs Act (TCJA) imposed a new tax on a small group of private nonprofit colleges and universities. Institutions enrolling at least 500 students that have endowment assets exceeding $500,000 per student (other than those assets which are used directly in carrying out the institution's exempt purpose) pay a tax of 1.4 percent on their net investment income. In 2022, the tax raised $244 million from 58 institutions. This would raise that rate to 14%.

H.R. 8913, Increase Applicability of Endowment Tax
$275 million in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- H.R. 8913 adjusts the criteria for which students are counted when determining whether a private college or university is subject to an excise tax on its net investment income. This bill incentivizes universities that receive generous U.S. federal tax benefits to either enroll more American students or spend more of their endowment funds on those students to avoid being subject to the endowment tax. This bill would subject roughly 10 to 12 additional schools to the Endowment Tax, all of which could avoid the tax by admitting more American students or spending down their endowments.

H.R. 8914, University Accountability Act
No budgetary effects
VIABILITY: HIGH / MEDIUM / LOW

- H.R. 8914, marked up by the Ways and Means Committee on July 9, 2024, would enact penalties for colleges and universities that violate students' rights under Title VI of the Civil Rights Act (which applies to educational institutions and protects against discrimination). It was ordered reported favorably by a vote of 24 yeas (you and 23 other Republicans) and 12 nays (all Democrats).

Repeal SALT Deduction
$1.0 trillion in 10-year savings relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate both the individual and business State and Local Tax deduction. Currently, the cap is $10,000. After 2025, this limitation will expire.

<u>Make $10k SALT Cap Permanent, but Double for Married Couples</u>
$100-$200 billion cost relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would extend the $10k SALT cap but double it for married couples.

<u>$15k/$30k SALT Cap</u>
$500 billion cost relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would cap the SALT deduction at $15k for individuals and $30k for married couples.

<u>Eliminate Income/Sales Tax Deduction Portion of SALT</u>
$300 billion cost relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate deductibility of state and local income or sales taxes from the SALT deduction, making only property taxes SALT deductible. The $10k SALT cap would expire as scheduled in current law.

<u>Eliminate Business SALT Deduction</u>
$310 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate the business SALT deduction. The individual SALT deduction would be unchanged from current law.

<u>Eliminate the Home Mortgage Interest Deduction</u>
About $1.0 trillion in 10-year savings relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would fully repeal the deduction for mortgage interest on primary residences. This is a Tax Foundation score.

<u>Lower Home Mortgage Interest Deduction Cap to $500k</u>
About $50 billion in 10-year savings relative to TCJA extension
VIABILITY: HIGH / MEDIUM / LOW

- This option would lower the cap on the home mortgage interest deduction from the TCJA level of $750k to $500k. This is a Tax Foundation score.

Eliminate Nonprofit Status for Hospitals
$260 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- More than half of all income by 501(c)(3) nonprofits is generated by nonprofit hospitals and healthcare firms. This option would tax hospitals as ordinary for-profit businesses. This is a CRFB score.

Eliminate Exclusion of Interest on State and Local Bonds
$250 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Interest earned on municipal bonds is currently excluded from taxable income. This option would end the exclusion, making income from municipal bond interest taxable.

End Tax Preferences for Other Bonds
$114 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would eliminate the exclusion of interest earned on private activity bonds, Build America bonds, and other non-municipal bonds.

Eliminate Head of Household Filing Status
$192 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Head of Household filing status provides a larger standard deduction for unmarried individuals who have children. This option would eliminate the Head of Household filing status.

Eliminate the American Opportunity Credit
$59 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The American opportunity tax credit (AOTC) is a credit for qualified education expenses paid for an eligible student for the first four years of higher education.

Taxpayers can get a maximum annual credit of $2,500 per eligible student. This option would repeal the credit.

Eliminate the Lifetime Learning Credit
$26 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The Lifetime Learning Credit ("LLC") provides a nonrefundable tax credit equal to 20 percent of qualified tuition and related expenses of the taxpayer that do not exceed $10,000. This option would repeal the credit.

Replace HSA's with a $9,100 Roth-Style USA Indexed to Inflation
$110 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would replace Health Savings Accounts (HSA) with a $9,100 Universal Savings Account indexed to inflation. While it would raise revenue by $110 billion in the budget window, it would have a small cost outside of the budget window. This is a Tax Foundation score.

End Treatment of Meals and Lodging (Other than Military)
$87 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Employer-provided meals and lodging are generally excluded from taxable income if they are for the employer's convenience. This option would eliminate this exclusion for all employees except military personnel, making these benefits taxable and saving $87 billion over 10 years.

Eliminate Deduction for Charitable Contributions to Health Organizations
$83 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Taxpayers can deduct contributions to qualifying health organizations (patient advocacy groups, professional medical associations, and other U.S.-based charitable organizations with 501(c)(3) tax status) from their taxable income. This option would remove the deduction for contributions to health organizations, generating $83 billion in savings over 10 years.

Eliminate Credit for Child and Dependent Care
$55 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Taxpayers can claim a credit for a portion of their child and dependent care expenses (up to $2,100). This option would remove the child and dependent care credit, yielding $55 billion in savings over 10 years.

Eliminate Exclusion of Scholarship and Fellowship Income
$54 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Qualified scholarships and fellowships are generally excluded from taxable income if used for tuition and related expenses. This option would make all scholarship and fellowship income taxable, increasing revenue by $54 billion over 10 years.

Eliminate Employer Paid Transportation Benefits
$50 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Employer-provided transportation benefits (up to $315 per month), like transit passes and parking, are excluded from taxable income. This option would eliminate the tax exclusion for these benefits, generating $50 billion in savings over 10 years.

Eliminate Exemption of Credit Union Income
$30 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Credit unions are exempt from federal income taxes on their earnings. This option would subject credit unions to the federal income tax.

Eliminate Exclusion of Employer Provided On-Site Gyms
$20 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Employer-provided on-site gym facilities intended for employees and their families are excluded from taxable income. This option would make the value of on-site gyms taxable.

Eliminate Deduction of Interest on Student Loans
$30 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- Taxpayers can deduct up to $2,500 of interest paid on student loans from their taxable income. This option would eliminate the deduction for student loan interest.

Federal Excise Tax on Federal Unions' Non-Representation Spending
$7 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would impose a federal excise tax on non-representation spending by federal unions.

Make DEI Union Expenses Non-Deductible
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- Currently, federal unions are able to deduct all expenses on DEI training because they are "educational." This proposal would impose new limits, likely raising some revenue.

Increase Electric Vehicle Fees
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- Electric vehicles do not currently contribute to the Highway Trust Fund, which is largely funded by the federal gas tax. This option would assess a new fee on electric vehicles.

Border Adjustment Tax
$1.2 trillion+ in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option creates a new tax on goods where they are consumed, not produced. This shift from an origin-based tax to a destination-based tax.

H.R. 5688, Improvements to Health Savings Accounts
$10 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- H.R. 5688 allows individuals who utilize key health services such as direct primary care arrangements and worksite health clinics to use their own resources to contribute to health savings account funds. The bill also eliminates a prohibition against an individual establishing an HSA if their spouse has an existing flexible spending arrangement and allows individuals to convert their own flexible spending or health reimbursement arrangement dollars into a health savings account.

Eliminate Tax on Tips
$106 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Tips received by employees are subject to income and payroll taxes. This option would eliminate the income tax on tips.

Eliminate Tax on Overtime
$750 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- This blanket exemption would prevent overtime earnings from being taxed. This is a Tax Foundation score.

Exempt Americans Abroad from Income Tax
$100 billion 10-year cost
VIABILITY: HIGH / MEDIUM / LOW

- Currently, the foreign earned income exclusion offers tax benefits to Americans residing overseas. Adjusted annually for inflation, the exclusion amount reached $126,500 for 2024. It is unclear whether this proposal intends to raise this limit or fully eliminate U.S. taxation on individual foreign income. This is a Tax Foundation score.

Auto Loan Interest Deduction
$61 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- This would allow Americans to deduct their auto loan interest payments from their taxes. The specifics are unclear at the moment. This is a Tax Foundation score.

Repeal IRA's Corporate Alternative Minimum Tax
$222 billion 10-year in costs

VIABILITY: HIGH / MEDIUM / LOW

- The Inflation Reduction Act (IRA) imposes a 15% corporate alternative minimum tax on adjusted financial statement income for corporations. This option would repeal the IRA's corporate AMT.

Eliminate the Death Tax
$370 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Estates exceeding a certain value are subject to federal tax. The TCJA doubled the estate tax exclusion. The 2023 exclusion amount is $12.9 million per person ($25.8 million for married couples). This option would eliminate the federal estate tax.

Cancel Amortization of R&D Expenses
$169 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Prior to TCJA, research and development (R&D) costs could be immediately expensed. TCJA replaced R&D expensing with amortization. This option would return to the pre-TCJA treatment of R&D.

Implement Neutral Cost Recovery for Structures
$10 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- While TCJA improved the tax treatment of short-term investments with the temporary 100 percent Bonus Depreciation provision, it did not improve the treatment of long-term investments in buildings and structures. This policy would allow businesses to index the value of deductions to inflation and a real rate of return (to address the time value of money). Experts believe this would preserve the economic benefits of full expensing for long-term structures at a fraction of the cost. Has a large cost outside of the budget window. This is a Tax Foundation score.

Lower the Corporate Rate to 15 Percent
$522 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- TCJA permanently lowered the corporate income tax rate from a globally uncompetitive 35 percent to 21 percent. This option would further lower the corporate rate to 15 percent.

Lower the Corporate Rate to 20 Percent
$73 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- TCJA permanently lowered the corporate income tax rate from a globally uncompetitive 35 percent to 21 percent. This option would further lower the corporate rate to 20 percent.

Repeal IRA's IRS Enforcement Funding
$46.6 billion in 10-year costs
VIABILITY: HIGH / MEDIUM / LOW

- Over the FY25-FY34 period, that rescission is estimated to reduce outlays by $20 billion, reduce revenues by $66.6 billion, and as result increase the deficit by $46.6 billion. This estimate is relative to the 2024 baseline.

Restructure the EITC to Reduce Improper Payments
Unknown savings
VIABILITY: HIGH / MEDIUM / LOW

- In 2023, the Earned Income Tax Credit (EITC) had an estimated improper payment rate of 33.5 percent, totalling $22 billion dollars. This policy option would simplify the EITC by breaking it out into a "worker credit" and a "child credit," allowing for more accurate eligibility verifications and reducing improper payments.

Trade

Codify and Increase 301 Tariffs on China
$100 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- The current 301 tariffs bring in approximately $40 billion per year. This option would codify the 301 tariffs in addition to increasing the tariffs on products already subject to 301.

10 Percent Tariff
$1.9 trillion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW

- This option would create a 10% across the board tariff on all imports.

H.R. 7679, End China's De Minimis Abuse Act
$24 billion in 10-year savings
VIABILITY: HIGH / MEDIUM / LOW