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# ★ ★ ★ BIDEN'S NEW TAX PLAN ★ ★ ★

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The President has proposed a new wave of tax changes for the nation. No matter if you agree or disagree, the truth is these changes are likely coming soon, and they could cause big shifts in your retirement taxes.

Here's a summation of five key areas you need to know about. Keep in mind these proposals are not yet set in stone and could change before being implemented, or not be implemented at all.

## INCOME TAXES

- ★ Top income bracket moving back up to 39.6%
- ★ Taxpayers with an income above \$1 mil would pay same rate on investment income as wages
- ★ Long-term capital gains tax would be raised to 43.4%
- ★ Anyone with less than \$400,000 in assets will see no change

## CORPORATE TAX

- ★ Corporate tax rate increase to 28%
- ★ New 15% Alternative Minimum Tax (AMT) on book profits over \$100 million
- ★ New range of tax credits and incentives:
  - Infrastructure
  - Green energy
  - Transportation
  - Manufacturing
  - Retirement Savings Plan

## RETIREMENT PLAN TAXES

- ★ Changes to tax credits and deduction could mean big changes for contributions
- ★ If you contribute maximum annual contributions, contact your financial advisor

## HEALTH INSURANCE AND LTC

- ★ Refundable tax credits for health insurance premiums
- ★ Goal to limit family healthcare spending to 8.5% income
- ★ Promises of increased tax benefits for purchasing long-term care

## ESTATES

- ★ Top rate of estate taxes increasing to 45%
- ★ Estate tax exemption reduced by approximately 50% from its current level of \$11.58 mil
- ★ Repeal of the "step-up in basis" loophole for estate transfers

These are big changes that could impact your money in a huge way. Talk to your financial advisor today about what you can do to be prepared for any changes that go into effect.

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Sources: <https://www.investopedia.com/explaining-biden-s-tax-plan-5080766>

<https://www.cnbc.com/2021/04/22/how-the-biden-capital-gains-tax-proposal-would-hit-the-wealthy.html>

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