



# AMERICANS *for* TAX REFORM

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## Tax Hikes in Charlie Rangel's "Mother of All Tax Bills"

- Surtax of up to 4.6% on Americans earning as little as \$150,000 per year  
Cost: \$831.7 billion over 10 years
- Phase out deductions and personal exemptions for "high income" taxpayers  
Cost: \$28.6 billion over 10 years
- Further restrict miscellaneous itemized deductions  
Cost: \$7 billion over 10 years
- Tax investment partnership manager's capital gains as ordinary income  
Cost: \$25.7 billion over 10 years
- Include deferred comp of overseas hedge fund managers in current income  
Cost: \$22.6 billion over 10 years
- Modify unrelated business income rules for investment partnerships  
Cost: \$1.3 billion over 10 years
- Treat gain on sales between related parties as ordinary income  
Cost: \$135 million over 10 years
- Expose most S-corporation profits to Social Security and Medicare taxes  
Cost: \$9.4 billion over 10 years
- Require brokers to report the basis of all future stock and mutual fund sales  
Cost: \$4.3 billion over 10 years
- Repeal the domestic production activities deduction  
Cost: \$115 billion over 10 years
- Deny deductions to corporations that defer taxation on foreign income  
Cost: \$106 billion over 10 years
- Repeal worldwide allocation of interest  
Cost: \$26 billion over 10 years
- Limitation on deductions for companies doing business in some treaty nations  
Cost: \$6.4 billion over 10 years
- Repeal last-in, first-out (LIFO) accounting rules  
Cost: \$106.5 billion over 10 years
- Repeal the lower of cost or market record  
Cost: \$7.1 billion over 10 years
- Special rule for accrual method service providers not applied to corporations  
Cost: \$225 million over 10 years
- Amortization of intangibles extended from 15 years to 20 years  
Cost: \$20.7 billion over 10 years
- Codification of the "economic substance doctrine"  
Cost: \$3.6 billion over 10 years
- Reduce corporate dividends received deduction by 10 percentage points  
Cost: \$4.6 billion over 10 years
- Ordinary income taxation of S-corp stock option in an ESOP  
Cost: \$606 million over 10 years
- End domestic international sales corporation (DISC) rules  
Cost: \$881 million over 10 years
- Treat distributions of debt in a spin-off transaction the same as property  
Cost: \$235 million over 10 years

**TOTAL TAX INCREASES: \$1.33 Trillion Over 10 Years**