



# AMERICANS for TAX REFORM

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President

## McCain vs. Obama on Taxes Which April 15 would *you* rather have?

	Current Law	McCain	Obama
Top Tax Rate	35%	35%	39.6%
Lowest Tax Rate	10%	10%	15%
Capital Gains Rate	15%	15%	20%
Dividends Rate	15%	15%	39.6%
Death Tax	0% by 2010 (Repealed)	15%/\$10 million <sup>1</sup>	55%/\$1 million
Marriage Penalty <sup>2</sup>	None Under \$150,000	None Under \$150,000	Full from Dollar One
Child Tax Credit	\$1000	\$1000	\$500
AMT Rate <sup>3</sup>	28%	0% (Repealed)	28%
Self-Employment Rate <sup>4</sup>	37.9%	37.9%	54.9%
Corporate Income Tax <sup>5</sup>	35%	25%	35%
Business Infrastructure <sup>6</sup>	Long and Complex Depreciation	Full Expensing	Long and Complex Depreciation

<sup>1</sup> The first \$5 million (\$10 million for a surviving spouse) of an estate would be death tax-exempt

<sup>2</sup> The “marriage penalty” refers to a married couple paying a higher amount of combined income tax than if they each filed taxes as single

<sup>3</sup> The “alternative minimum tax” (AMT) requires taxpayers to calculate their taxes two ways, and pay whichever method results in a higher tax owed

<sup>4</sup> Self-employed taxpayers pay both ordinary income tax and self-employment tax (Social Security and Medicare)

<sup>5</sup> The U.S. corporate income tax is currently the second-highest in the developed world. The average European corporate income tax rate is about 25%

<sup>6</sup> It takes larger businesses several years to deduct machinery and equipment, even though they purchase the business asset in year one (e.g. a computer must be slowly-deducted over six calendar years)

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