### Tax Plans: H.R. 3762 (Conyers)

- **Make the Retirement Savings Credit refundable.** Reduce the maximum credit from the current $1,000 per taxpayer ($2,000 per couple) to $250 per taxpayer ($500 per couple) and roughly double the current Social Security system personal accounts.
- **Make the Child and Dependent Care Tax Credit refundable and increase the maximum credit to** $1,500 ($3,000 for two or more children).
- **Give full-time workers making minimum wage an Earned Income Tax Credit benefit up to** $555. If the workers are “responsibly supporting their children on child support,” give those workers a benefit of $1,110.
- **Create a 10 percent mortgage credit worth up to** $800.
- **Create a new “Making Work Pay” refundable income tax credit of up to** $500 per person or $1,000 per family. It would offset the payroll tax on the first $8,100 of earnings.
- **Restore the phaseout of personal exemptions (PEP) and the phaseout of itemized deductions (Pease) for couples making** $250,000 or more ($200,000 for singles)

### Other Obama Tax Policies:
- **Eliminate tax on hardship withdrawals from IRAs and 401(k)s that force seniors to sell their stocks when they reach age 70.5**
- **Reduce tax rate on withdrawals from IRAs and 401(k)s to 10%**
- **Increase amount of capital losses that can be deducted from ordinary income (from $3,000 to $15,000) in 2008 and 2009**
- **Reduce capital gains tax rate to 7.5% (from 15%) in 2009 and 2010**
- **Reduce tax rate on withdrawals from IRAs and 401(k)s to 10%**
- **Raise capital gains and dividends rates to 20% for couples making over $250,000.**

### McCain Tax Plans:
- **New refundable health care tax credit ($5,000 for family coverage, $2,500 for individual coverage). Replaces the current exclusion for employer-based health insurance premiums.**
- **Increase the dependent exemption each year until it reaches $7,000 in 2016 (the 2016 level would be twice the level in 2009).**
- **Make the Research and Development tax credit permanent.**
- **Extend AMT patch.**
- **Raise capital gains and dividends rates to 20% for couples making over $250,000.**

### Other McCain Tax Policies:
- **suspend mandatory distribution rules for IRAs and 401(k)s that force seniors to sell their stocks when they reach age 70.5**
- **Reduce tax rate on withdrawals from IRAs and 401(k)s to 10%**
- **Increase amount of capital losses that can be deducted from ordinary income (from $3,000 to $15,000) in 2008 and 2009**
- **Eliminate tax on unemployment benefits in 2008 and 2009.**
- **Increase amount of capital losses that can be deducted from ordinary income (from $3,000 to $15,000) in 2008 and 2009**
- **Reduce capital gains tax rate to 7.5% (from 15%) in 2009 and 2010**
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### Table: Marginal Individual Income Tax Rates

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<td>John McCain</td>
<td>Constitute the lower rates enacted in the 2001-03 tax cuts. Cut rate to 25%, from current 35%. Fully phased in by 2015.</td>
<td>No specifics available. Taxpayers choose between the current system or a vastly less complicated system with two tax rates and a generous standard deduction.</td>
<td>12% tax rate on estates over $5 million ($10 million for married couples). Opposes increasing the payroll tax from the current 12.4% on wages up to $102,000. Supplement the current Social Security system with personal accounts.</td>
<td>Phase out the AMT.</td>
<td>Maintain the 15% rate on capital gains and dividends.</td>
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<td>Barack Obama Democratic Party</td>
<td>Maintain the current 10, 15, 25, and 28 percent rates from the 2001-03 tax cuts, but allow the top two rates to expire (the 33 percent rate would rise to 36 percent; the 35 percent rate would rise to 39.6 percent). Eliminate all income taxation of seniors making less than $50,000 per year.</td>
<td>Eliminate capital gains taxes on start-up and small businesses. Close inefficient loopholes.</td>
<td>No specifics available. Instruct IRS to provide pre-prepared tax forms for many filers.</td>
<td>45% tax rate on estates over $3.5 million ($7 million for married couples). Social Security tax would be 12.4% for income from zero to $102,000; 6% for income from $102,000 to $250,000; and 4% from $250,000 and up, effective 2018.</td>
<td>Extend AMT patch.</td>
<td>Raise capital gains and dividends rates to 20% for couples making over $250,000.</td>
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<tr>
<td>Other Obama Tax Policies:</td>
<td>- Reduce tax rate on withdrawals from IRAs and 401(k)s to 10%</td>
<td>- Reduce capital gains tax rate to 7.5% (from 15%) in 2009 and 2010</td>
<td>- Increase amount of capital losses that can be deducted from ordinary income (from $3,000 to $15,000) in 2008 and 2009</td>
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<td>- Restore the phaseout of personal exemptions (PEP) and the phaseout of itemized deductions (Pease) for couples making $250,000 or more ($200,000 for singles)</td>
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- **New refundable health care tax credit ($5,000 for family coverage, $2,500 for individual coverage). Replaces the current exclusion for employer-based health insurance premiums.**
- **Increase the dependent exemption each year until it reaches $7,000 in 2016 (the 2016 level would be twice the level in 2009).**
- **Make the Child and Dependent Care Tax Credit refundable and increase the maximum credit to $1,500 ($3,000 for two or more children).**
- **Make the Retirement Savings Credit refundable. Reduce the maximum credit from the current $1,000 per taxpayer ($2,000 per couple) to $250 per taxpayer ($500 per couple) and roughly double the phaseout threshold from $16,000 for singles in 2008 ($32,000 for couples) to $32,500 for singles in 2009 ($65,000 for couples). The credit would phase out at a 5% rate when AGI exceeds these thresholds.**
- **Make the Research and Development tax credit permanent.**
- **Extend AMT patch.**
- **Raise capital gains and dividends rates to 20% for couples making over $250,000.**

### For sources and the most recent information, visit the Presidential Candidate Tax Plan Comparison at www.TaxFoundation.org.