



TAX HIKES IN PRESIDENT BIDEN'S FY2024 BUDGET: FAST FACTS

The President's budget makes clear the Administration has not learned from its mistakes. After two years of policies that have led to record-high inflation and excessive deficit spending, this Administration is doubling down with more of the same proposals that have been rejected by both political parties.

The budget request includes **\$4.7 trillion** in new or increased taxes over the next decade.

A tax on individuals across income levels: The President's budget calls for hiking the individual federal income tax rate up to 39.6 percent from 37 percent, not including surtaxes. In addition to raising the rate, the proposal also lowers tax brackets by hundreds of thousands of dollars, thereby pushing tax increases on even more hardworking Americans.

A tax on Main Street: The President's budget calls for a 5 percent surtax on gross income above \$400,000, and for extending the surtax to business income and investment income alike. Hardworking entrepreneurs could face federal taxes of roughly 42 percent, and nearly 45 percent when combined with the President's individual rate increase proposal. Add in state and local taxes, and many—particularly in high-tax states—would see their tax rate soar well above 50 percent, regardless of whether they reinvest money into their businesses.

A tax on America's job creators: The President's budget calls for increasing the income tax rate on incorporated businesses to 28 percent. According to the nonpartisan Joint Committee on Taxation, the effects of hiking this tax would [primarily be borne](#) by those making less than \$500,000 per year. A separate [study](#) shows consumers shoulder more than 30 percent of any comparable tax increase. When combined with state and local taxes, many companies would face an income tax rate far higher than China's (25 percent) and Europe (average 21.7 percent).

A tax that gives China the upper hand: Despite negotiating a 15 percent global minimum tax rate for the rest of the world, the President's budget calls for hiking the U.S. global minimum tax rate to 21 percent, giving our biggest foreign competitors—like China—the upper hand.

A tax on savings and investment: The President's budget calls for quadrupling the stock buyback excise tax, harming Americans who save, invest, or participate in retirement plans. Imposing an excise tax on savings and investment artificially skews how a business decides to best use its funds.

A tax on entrepreneurship and property: The President's budget calls for implementing a new and complicated minimum tax on some property owners, specifically on the unrealized increase in the value of their property. This national property tax would discourage innovation and entrepreneurship, create additional difficulty for taxpayers and the overwhelmed Internal Revenue Service, and raise significant Constitutional issues.