



## TAX HIKES IN PRESIDENT BIDEN'S FY2025 BUDGET: FAST FACTS

The President's FY2025 budget request includes **\$4.9 trillion** in new or increased taxes over the next decade. The tax-and-spend regime envisioned by the President would be felt by virtually all Americans, particularly as the budget proposal calls for more tax increases (\$4.9 trillion) than there were federal revenues in the last fiscal year (\$4.4 trillion).

**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 significantly lowers the top tax bracket by hundreds of thousands of dollars, thereby pushing tax increases on even more hardworking Americans.

**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 [21.3 percent](#)).

**An unworkable minimum tax on American companies:** The budget calls for increasing the fundamentally flawed "book minimum tax" to 21 percent from 15 percent despite current implementation delays due to administrability challenges. This harmful policy should be repealed, not expanded.

**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:** Taxing stock buybacks artificially hampers business decisions about how best to use funds and ends up harming Americans who have their life savings invested in 401(k)s, IRAs and the stock market. Quadrupling the partisan stock buyback excise tax would needlessly harm Americans who save, invest or participate in retirement plans.

**An expanded death tax that will harm family-owned businesses:** Biden's \$83 billion in death tax increases will force family farms, ranches and other generational businesses to sell off assets to pay an enormous tax bill to Washington. In addition, Biden is once again calling for a second death tax by forcing heirs to pay an additional tax on their predecessors' paper gains.

**A new tax on wealth:** The President's budget calls for a new 25 percent minimum income tax on "billionaires," even though the tax is not limited to incomes of that amount and it applies to more than income – including unrealized asset gains. The President continues his attempt to tax unrealized capital gains, even though it would hurt taxpayers and the economy.

**More funding for more IRS audits:** After giving \$80 billion to the IRS for beefed up enforcement efforts, the President's budget calls for another \$84 billion for the agency, plus restoring \$20 billion in unnecessary IRS funding that the President previously agreed to cut. Small business owners, cash-heavy businesses and those who can't afford legal teams are easy targets for an emboldened IRS, and [legislative proposals](#) to prevent those individuals from increased audit rates have been rejected by Democrats.

**Drug price controls that drive higher costs, fewer cures:** Price controls will result in higher launch prices, reduced competition and stifled innovation, translating into fewer new treatments in the years to come.

**Expensive expansion of Obamacare subsidies:** Permanently expanding taxpayer-funded subsidies so that more Americans will shift onto Obamacare health exchanges would cost taxpayers over \$200 billion. The nonpartisan Congressional Budget Office believes it would also result in more individuals losing employer-sponsored insurance than uninsured individuals gaining coverage.