



2021 Federal Tax Proposals

Fall 2021 Update

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1	Raise the Top Individual Tax rate	The rate increase would apply to individuals with taxable income over \$452,000 and joint filers over \$509,000
2	Increase the Tax Rate on Long Term Capital Gains	The proposal would increase the current rate of approximately 23.8% to 43.4% for taxpayers with taxable income in excess of \$1 million
3	Restrict Like Kind Exchanges	No tax deferral on real estate for anyone who earns \$500,000 (single) or \$1 million (joint) on 1031 real estate exchanges
4	Tax Carried Interest at Ordinary Income Rates	Mainly effects taxpayers in the investment business who currently are able to get favorable capital gains treatment on certain deferred earnings
5	Tax Unrealized Gains on Death	After excluding the first \$1 million in assets, any assets held by a decedent will be taxed based upon the increase in the fair market value of the asset over its cost
6	Expand the scope of the 3.8% Net Investment Tax and Self Employment Tax	This would expand the tax on pass through income which is currently limited to passive earnings

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