

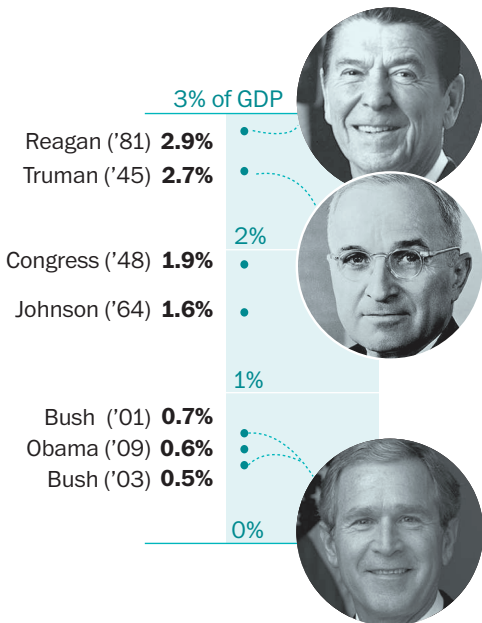
# Trump's tax proposal:



President Trump's plan lacks key details, making it hard to predict its effect on the economy and the national debt.

Tax cuts by previous presidents could serve as a guide.

## How past tax cuts compare relative to GDP



## PERSONAL TAXES

Three tax brackets instead of seven: 10%, 25% and 35%

Repeal alternative minimum tax

Repeal the estate tax

## DEDUCTIONS

Double the standard deduction

Keep mortgage interest and charitable deductions

Eliminate almost all others, i.e. state and local tax deductions

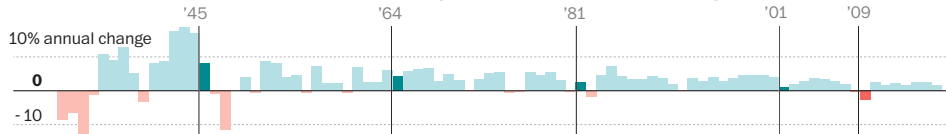
## LOWER RATES FOR BUSINESSES

Rate for corporations, partnerships and small businesses reduced to 15%

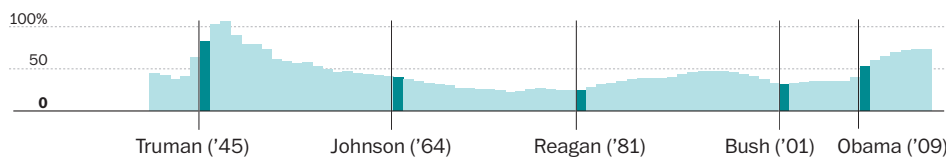
A low, one-time tax to bring back money held overseas

## The uneven effect of tax cuts

Tax cuts are not always followed by economic growth, as measured by change in GDP ...



... but cuts can lead to big increases in the debt, shown here as a percentage of GDP



Sources: Federal Reserve, Treasury, Congressional Budget Office, JCT