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Vice President Harris releases partial economic plan that includes tax proposals

Vice President and Democratic presidential nominee Kamala Harris today [released details](#) of elements of her economic plan. Among other items, Harris proposed several new tax incentives and preferences, including the following:

- A tax incentive for builders of homes sold to first time homebuyers
- An expansion of existing tax incentives for builders of affordable rental housing
- A tax credit for first time homebuyers
- A restoration of the American Rescue Plan Act version of the child tax credit (CTC) providing up to \$3,600 per child
- A new expansion of the CTC providing a \$6,000 tax credit for children in the first year of life
- A \$1,500 expansion of the earned income tax credit available to lower income individuals
- A tax cut for Affordable Care Act premiums

The plan does not include specifics on whether the revenue cost of these items would be offset, though it does state that Harris will ask “the wealthiest Americans and largest corporations to pay their fair share” and that the plan will reduce the deficit.

Harris also calls for Congress to pass the [Stop Predatory Investing Act](#), which would eliminate certain tax benefits for investors who own large numbers of single-family homes.

KPMG observation

Notably, with regard to President Biden’s oft-stated pledge not to increase taxes on those making less than \$400,000, “Vice President Harris is committed to ensuring no one earning less than \$400,000 a year will pay more in new taxes.”

This pledge suggests that, for the \$4 trillion of “tax cliff” items scheduled to expire at the end of 2025, Harris appears committed to extending those tax cuts for individuals making \$400,000 or less. Though it is worth noting that use of the word “new” raises some uncertainty as to how the pledge will be applied.

Harris does not in today’s release endorse, or otherwise mention, the official tax plan of the Biden-Harris Administration, the so-called [Green Book](#). Her vow to raise taxes on large corporations and the wealthy,

however, is consistent with many of the proposals included in the Administration's plan. Among other things, that plan calls for a 7% increase in the corporate tax rate, a number of new taxes on multinational businesses, and new taxes on high-earning individuals. For more information on the FY2025 Green Book, read [KPMG report: Tax proposals in FY 2025 budget](#).

Absent from today's release is a proposal to exempt tip income from taxation. Harris has previously indicated that she (along with Republican nominee Donald Trump) supports this idea.

Finally, it should be noted that the sum total cost of all these proposals is several trillion dollars. Pursuing all of these ideas is likely to put significant pressure on finding new tax increases to offset the cost of these items.

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