

# U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Administration's FY2015 Budget Tax Proposals Will Support The Middle Class, Boost Growth, Create Jobs Here At Home

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View the full Greenbook [here](#) .

*"The President's Budget sets a course to put our nation on sound fiscal footing, while making the necessary, targeted investments to support the middle class, level the playing field for American businesses, create more fairness in our tax code, and lay the groundwork for long-term growth for our country," said Treasury Secretary Jacob J. Lew.*

The President's 2015 Budget recognizes that while we have made significant progress in our economic recovery, there is still more work to be done. It provides a roadmap to continue building on this progress by eliminating unfair tax loopholes, supporting opportunities for our middle class, leveling the playing field for American businesses and encouraging investments to maintain U.S. economic competitiveness.

Today, the U.S. Department of the Treasury released a key document that points the way toward meeting these challenges – the General Explanations of the Administration's FY2015 Revenue Proposals, or "Greenbook," which explains the Administration's revenue proposals included in the Budget.

### The FY2015 Greenbook includes key policies to:

- Expand Earned Income Tax Credit benefits for workers without qualifying children, families with more than two children and married couples;
- Level the playing field by modernizing U.S. tax rules so that multinational firms pay their fair share;
- Close loopholes that allow professional services businesses to avoid self-employment payroll taxes; and
- Support students by excluding Pell grants from income and from education tax credit calculations.

### **Other proposals from the Budget:**

#### Support Middle-Class Families by:

- Making the American Opportunity Tax Credit permanent, providing a partially-refundable tax credit of up to \$2,500 per year to help finance college expenses;
- Increasing the amount of Child Tax Credit available to low-income families;
- Increasing the Child and Dependent Care Tax Credit available to working families with young children;
- Expanding retirement coverage by providing for automatic enrollment in individual retirement accounts; and
- Extending the exclusion from income for the cancellation of certain home mortgage debt.

#### Jumpstart Growth by:

- Designating 20 "Promise Zones" to promote job creation and investment in economically distressed areas;
- Creating a new, permanent America Fast Forward Bonds Program that will stimulate greater investment in America's transportation infrastructure;
- Repealing fossil fuel tax breaks and providing incentives for renewable energy and energy efficiency; and
- Extending and modifying employment tax credits, including incentives to hire veterans.

#### Ask the Wealthiest Americans to Contribute their Fair Share to Balanced Deficit Reduction by:

- Implementing the Buffett Rule by imposing a new "Fair Share Tax" on high-income taxpayers;
- Limiting tax expenditures for the affluent by capping the value of itemized deductions and certain other deductions and income exclusions at 28 percent;
- Restoring the estate, gift, and generation skipping transfer taxes to 2009 levels.

#### Close Unfair Tax Loopholes by:

- Taxing carried interest profits as ordinary income;
- Eliminating a depreciation benefit for corporate jets;
- Imposing a financial crisis responsibility fee; and
- Modifying like-kind exchange rules for real property.

#### Promote Growth and Innovation while Supporting Job Creation at Home, as Part of a Reserve for Business Tax Reform by:

- Enhancing the research and experimentation credit and making it permanent;
- Establishing tax incentives for locating jobs and business activity in the U.S. and prohibiting tax deductions for shipping jobs overseas; and
- Increasing and consolidating the amount of deductible new business expenditures for small businesses.

#### Reduce Incentives to Shift Income and Assets Overseas by:


- Restricting interest expense deductions for foreign and U.S. multinational firms;
- Restricting the ability of multinational firms to create "stateless income";
- Updating rules for digital goods and services;
- Closing loopholes in the international tax area;
- Limiting the shifting of income through intangible property transfers; and
- Limiting the ability of domestic entities to expatriate.

Protect our Most Vulnerable Citizens by:

- Allowing conversion of the private activity bond volume cap into Low-Income Housing Tax Credits (LIHTCs); and
- Requiring LIHTC-supported housing to protect victims of domestic abuse.

Other Initiatives:

- Provide for reciprocal reporting under the Foreign Account Tax Compliance Act to help stop offshore tax evasion;
- Address taxpayer identity theft; and
- Stagger tax return filing due dates.

For more details on specific budget proposals, see Treasury's Fact Sheet [here](#). 

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