

# U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Administration's FY2017 Budget Tax Proposals will Support the Middle Class, Boost Growth, Create Jobs Here at Home

2/9/2016

**View the full Greenbook [here](#)** .


*"We have seen a sustained economic recovery since President Obama took office seven years ago in the midst of the worst financial crisis since the Great Depression. Nonetheless, we have much more work to do to ensure that the benefits of our growth are shared by all Americans. Today's budget and Treasury's Greenbook strive to address these and other pressing challenges our country faces through a series of tax proposals aimed at reforming the tax code, investing in infrastructure and protecting working families. These proposals would create the conditions for sustained economic growth while upholding the basic American belief that everyone who works hard should get a fair shot at success," said Treasury Secretary Jacob J. Lew.*

**WASHINGTON** – Under the President's leadership, we have turned our economy around and created 14 million jobs. Our unemployment rate is below five percent for the first time in almost eight years. Nearly 18 million people have gained health coverage as the Affordable Care Act has taken effect. And we have dramatically cut our deficits by almost three-quarters and set our Nation on a more sustainable fiscal path.

Yet while it is important to take stock of our progress, this Budget is not about looking back at the road we have traveled. It is about looking forward and making sure our economy works for everybody, not just those at the top. It is about choosing investments that not only make us stronger today, but also reflect the kind of country we aspire to be – the kind of country we want to pass on to our children and grandchildren.

The Budget makes critical investments in our domestic and national security priorities while adhering to the bipartisan budget agreement signed into law last fall, and it lifts sequestration in future years so that we continue to invest in our economic future and our national security. It also drives down deficits and maintains our fiscal progress through smart savings from health care, immigration, and tax reforms.

The Budget shows that the President and the Administration remain focused on meeting our greatest challenges – including accelerating the pace of innovation to tackle climate change and find new treatments for devastating diseases; giving everyone a fair shot at opportunity and economic security; and advancing our national security and global leadership – not only for the year ahead, but for decades to come.

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 FY2017 Revenue Proposals, or "[Greenbook](#) 

- **Reform the U.S. International Tax System**
  - Impose a 19-percent Minimum Tax on Foreign Income.
  - Impose a 14-percent One-Time Tax on Previously Untaxed Foreign Income.
  - Limit the Ability of Domestic Entities to Expatriate.
  - Restrict Deductions for Excessive Interest of Members of Financial Reporting Groups.
  - Provide Tax Incentives for Locating Jobs and Business Activity in the United States and Remove Tax Deductions for Shipping Jobs Overseas.
  - Limit Shifting of Income Through Intangible Property Transfers.
  - Restrict the Use of Hybrid Arrangements that Create Stateless Income.
- **Provide Simplification and Tax Relief for Small Business**
  - Expand Expensing for Investments Made by Small Businesses.
  - Expand Simplified Accounting for Small Businesses and Establish a Uniform Definition of Small Business for Accounting Methods.
  - Increase the Limitations for Deductible New Business Expenditures and Consolidate Provisions for Start-Up and Organizational Expenditures.
  - Expand and Simplify the Tax Credit Provided to Qualified Small Employers for Non-Elective Contributions to Employee Health Insurance.
- **Encourage Job Creation, Manufacturing, Research, and Clean Energy**
  - Enhance and Simplify Research Incentives.
  - Extend and Modify Certain Employment Tax Credits, Including Incentives for Hiring Veterans.
  - Provide Community College Partnership Tax Credit.

- o *Modify and Permanently Extend Renewable Electricity Production Tax Credit and the Investment Tax Credit.*
- o *Provide a Carbon Dioxide Investment and Sequestration Tax Credit.*

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- **Promote Regional Growth**

- o *Modify and Permanently Extend the New Markets Tax Credit (NMTC).*
- o *Reform and Expand the Low-Income Housing Tax Credit (LIHTC).*

- **Encourage Investment in Infrastructure**

- o *Provide America Fast Forward Bonds (AFFB) and Expand Eligible Uses.*
- o *Provide "Qualified Public Infrastructure Bonds," (QPIBs).*

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- **Reform Taxation of the Financial Sector**

- o *Impose a Financial Fee.*
- o *Tax Carried Interest Profits as Ordinary Income.*

- **Support Working Families and the Middle Class**

- o *Provide a New, Simple Tax Credit to Two-Earner Families.*
- o *Reform Child Care Tax Incentives.*
- o *Simplify and Better Target Education Tax Benefits to Improve College Affordability.*
- o *Expand Earned Income Tax Credit for Workers without Qualifying Children.*

- **Raise Additional Revenue by Asking the Wealthiest to Pay Their Fair Share**

- o *Limit Certain Tax Expenditures for the Most Affluent by Capping their Value at 28 percent.*
- o *Reform the Taxation of Capital Income to Help Ensure the Wealthiest Pay their Fair Share of Taxes.*
- o *Rationalize Net Investment Income and Self-Employment Contributions Act (SECA) Taxes.*
- o *Implement the Buffett Rule by Imposing a New "Fair Share Tax."*
- o *Restore the Estate, Gift, and Generation-Skipping Transfer (GST) Tax Parameters in Effect in 2009.*
- o *Modify Transfer Tax Rules for Grantor Retained Annuity Trusts and other Grantor Trusts.*

- **Reforms to Retirement and Health Benefit Plans**

- o *Make it Easy and Automatic for Workers to Save for Retirement.*
- o *Permit Unaffiliated Employers to Maintain a Single Multiple Employer Defined Contribution Plan (MEP).*
- o *Improve the Excise Tax on High Cost Employer-Sponsored Health Coverage.*

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- **Streamline and Improve Tax Administration**

- o *Increase Funding for IRS Enforcement Through a Program Integrity Cap Adjustment.*
- o *Improve the Whistleblower Program.*
- o *Combat Tax-Related Identity Theft.*
- o *Accelerate Information Return Filing Due Dates.*
- o *Increase Oversight of Paid Tax Return Preparers.*

- **Other Revenue Raisers**

- o *Impose an Oil Fee.*
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