

White House Candidates on the Issues: Side-by-Side Comparison

Prepared by

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- Bi-partisan Washington, D.C.-based government relations firm
- Provide direct lobbying services on Capitol Hill, White House, Federal Agencies
- Strategic consulting on impact of government actions, politics on clients
- Speak to business, associations about impact of Washington on their operations
- Supply chain risk analysis
- Clients include:
 - Manufacturing companies and associations
 - Defense manufacturers
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Overview and Disclaimers

The following slides represent an assessment of the possible affect of a second Trump term or a Biden administration on federal trade, tax, HR, environmental, and job training policy. The content is based on review of current and previous policy statements made publicly, on the extensive track records of both candidates on these issues, and on discussions with others in Washington and some close to the campaigns and current federal officeholders.

Promises made on the campaign trail do not always translate into policy. This is especially the case for tax, health care, infrastructure and other policy changes that would require Congress to pass bills in both the House and Senate. Senate Republicans maintaining control in the upper chamber versus Democrats taking power is a critical variable especially in a Biden administration that will alter outcomes.

The following is intended to help provide insight into possible outcomes and assist with anticipating different scenarios.

Trump vs. Biden: Trade

Issue	Trump Administration II	Biden Administration
China 7.5% / 25% Tariffs	Remain in place through 2022	Remain in place at least through 2021
25% Steel Tariffs / 10% Aluminum Tariffs	Remain in place	Lifted in 2021 on allies (EU, Japan, etc.)
Auto, parts tariffs	Threat remains in place	No broad Section 232 auto tariffs
Boeing-Airbus Dispute	Tariffs remain until EU deal	Dispute resolved; Tariffs lifted in 2021
EU and France Digital Services Tax 301 Tariffs	If no deal, tariffs imposed	No tariffs, attempt to establish OECD global corporate minimum tax
Trade Agreements	Negotiations with UK, EU, Kenya, Japan mini-deal II	New trade agreements unlikely in 2021; AGOA, Caribbean Basin action possible
Sanctions on China, Export Controls	Yes, to force supply line changes, protect technology	Yes, to pressure on human rights, protect technology
Supply Chains	Sanctions, tariffs to force companies to leave China	Higher taxes on offshoring, incentives for onshoring (taxes need Congressional)
Rare Earth Elements	Tariffs on imports; Increase domestic mining	Develop partnerships with trusted allies

Trump vs. Biden: Taxes

Note: Major changes to tax rates or policy require Congress to pass a bill with 51 or 60 Senate votes

Issue	Trump Administration II	Biden Administration
21% C-Corporation Rate	No Change	Campaign says 28%; if Congress has votes to act, could see increase up to 28% (25% possible)
37% top individual rate	No change until 2025	If Democrats control House, Senate, top rate 39.6% returns for highest earners
Individual Tax Rates	If GOP holds Senate, could realign brackets for middle class cut	If Democrats control House, Senate, increase number of brackets
199A 20% QBI Deduction	On schedule to end Dec. 31, 2025	Narrow eligibility for high earners <u>and</u> high wealth; Phase out for high earners
Payroll Tax	Will seek a holiday for 2020, Congress would have to pass a bill	Impose a Social Security surcharge tax on higher earners
Net Operating Loss	No Change	Narrow CARES Act, limit which years
Capital Gains	Attempts to index to inflation	Treats as ordinary income for top earners
Itemized Deductions	Increase standard deduction	Cap deductions at 28% for high earners
Estate Tax	On schedule to revert Dec. 31, 2025	Lower exemption level from \$11.58m to \$5.49m

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