

## Major Tax Changes for Individuals Approved by House Ways & Means Committee

By No Author      *Thu, Sep 16, 2021*

### Major Tax Changes for Individuals in House Ways & Means' 'Responsibly Funding Our Priorities' Proposal

**§ 138201.** Increases the top marginal income tax rate to 39.6% on taxable incomes over \$450k (for couples filing jointly), \$425k (heads of households), \$400k (singles) and \$225k (couples filing separately).

**§ 138202.** Raises the capital gains tax rate to 25%.

**§ 138204.** Sets the maximum deduction for qualified business income at \$500k for a joint return, \$400k for an individual return, \$250k for a married individual filing separately, and \$10k for a trust or estate.

**§. 138206.** Adds tax of 3% surtax on incomes over \$5m (\$2.5m for couples filing separately).

**§. 138207.** Reverts the unified credit against estate and gift taxes to its 2010 level of \$5m per person, indexed for inflation.

**§. 138301.** Prohibits adding to a Roth or traditional IRA for persons with over \$10 million already in qualified accounts.

**§. 138302.** Requires a minimum annual distribution of 50% of the amount over \$10 million in qualified accounts.

**§. 138311.** Eliminates the 'back door' conversions of non-deductible contributions to a traditional IRA to a Roth IRA.

**Source:** House Ways and Means Committee, September 13, 2021.