Question: *Regarding taxation of unrealized gains, how would they treat a decline in asset value after a tax has been paid?*
Answer: This is one of the on-going issues with the implementation of tax on unrealized gains that has received a lot of attention from tax practitioners. Under President Biden's Budget Proposal that Vice President Harris supports that includes a 25% minimum tax on total income above $100 million (including unrealized gains), the payments of the minimum tax would be treated as a prepayment available to be credited against subsequent taxes on realized capital gains to avoid taxing the same amount of gain more than once.

Question*: Could unrealized gains tax result in companies to lay off their employees.*
Answer: The unrealized gains tax proposals generally focus on taxing individual high-net worth taxpayers and not companies.

Question*: If the law is passed to use 400k as income threshold, for increased tax rates, why would this discriminate against joint fliers vs. single? 400k vs. 450k for joint*
Answer: Vice President Harris has focused broadly on this issue, only saying that she would not raise taxes on anyone earning $400,000 annually but has not made a distinction between individual filers and joint filers. It is not clear where she proposes setting the exact income threshold levels for the top marginal tax rates for individuals or married taxpayers filing jointly if the TCJA's reduced marginal tax rates.

If the TCJA reduced marginal rates expire, the top rate will return to 39.6%. In 2017, the last year before the TCJA, top income threshold for individual taxpayers was $418,000 and for married taxpayers it was $470,700. If the TCJA expires, these income thresholds would be adjusted for inflation to 2026 levels.

Question*: Did the 10-year rule offset the TCJA cuts? If the TCJA provisions are not continued, I suspect the 10-year rule will not change.*
Congress used the reconciliation process to enact the TCJA. Under the budget passed by Republicans to use the reconciliation process, the TCJA was allowed to "cost" $1.5 trillion over 10 years. Under the Joint Committee on Taxation's current revenue estimating rules, expirations of tax policy are presumed to revert back to the previous law. This is why several TCJA provisions were only extended temporarily. Under the JCT's rules, the loss in revenue is only be considered for the years the provisions are in effect (i.e. 7 of the 10 years).

In 2026, the TCJA's individual rates will expire and return to their higher pre-TCJA rates. Under the current scoring method, JCT assumes that these higher individual rates will be the law in 2026 and after. As a result, to extend the TCJA's reduced individual tax rates, JCT assumes it will have a negative scoring impact and cost money because the government will be bringing in reduced revenue relative to the current law (i.e. the higher pre-TCJA tax rates).

Question*: Even though costs are estimated to be high, will there be increased revenues to help offset the costs? will there be more taxpayers and more businesses that would theoretically help offset?*

The Joint Committee on Taxation's revenue estimates keep total output (i.e. US Gross National Product) fixed and the effects of tax provisions on total output are not included in JCT's revenue estimates.