



TaxNewsFlash

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Treasury releases “Green Book” explanation of tax proposals in FY 2025 budget

The U.S. Treasury Department this afternoon released the “[Green Book](#)” [PDF 2 MB]. Treasury’s “General Explanations of the Administration’s Fiscal Year 2025 Revenue Proposals” is a 256-page explanation of the tax proposals in the Biden Administration’s FY 2025 budget, also released and transmitted to Congress today. Read [TaxNewsFlash](#)

Most of the administration’s revenue proposals are familiar, having been included in previous budgets. However, the administration is unveiling new proposals in a few areas including proposals to increase in the corporate alternative minimum tax (CAMT), limit depreciation and increase certain fuel taxes for some private planes, create a new tax credit for certain first-time homebuyers, and modify deadlines for certain information returns.

These proposals, as explained in the Green Book, would increase and reform corporate taxation, as well as increase individual taxes on those with annual earnings exceeding \$400,000. According to the administration, these proposals are intended to “reduce the deficit by cracking down on fraud, cutting wasteful spending, and making the wealthy and corporations pay their fair share.” Its revenue proposals are said by the administration to reduce the 10-year deficit by \$3 trillion.

Business tax proposals include:

- Increase the corporate rate to 28%
- Increase the CAMT rate to 21%
- Reform international taxation
 - Increase the global intangible low-taxed income (GILTI) rate to 21%
 - Repeal the deduction for foreign-derived intangible income
 - Adopt an undertaxed profits rule
- Quadruple the stock buyback tax
- Deny the deduction for all compensation over \$1 million for all C corporations
- Modify depreciation and fuel tax rules for corporate aircraft
- Eliminate tax preferences for fossil fuels
- Eliminate tax-free treatment of like-kind exchanges
- Strengthen the limitation on losses for noncorporate taxpayers

- Modify due dates for certain information returns

Individual tax proposals include:

- Restore the American Rescue Plan Act expanded child tax credit
- Expand the low-income housing tax credit
- Provide a new tax credit for first-time homebuyers
- Increase the top income tax rate
- Increase the Medicare rate and net investment income tax rate
- Apply the net investment income tax to pass-through business income
- Impose a 25% minimum tax on those with wealth exceeding \$100 million
- Tax capital gains at ordinary rates for households with over \$1 million in earnings
- Tax unrealized gains at death

Read a [revenue estimate](#) [PDF 741 KB] of the tax proposals in the Green Book.

KPMG will soon provide a more detailed discussion of the tax provisions in the administration's FY2025 budget.

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