



# The 2016 Election and Prospects for Tax Reform

University of Texas School of Law

30 November 2016

Len Burman

Urban-Brookings Tax Policy Center

Maxwell School, Syracuse University

*Any views expressed are mine alone.*

## The Good, the Bad, and the Ugly of Campaign 2016



### ***The Good***

- Lots of radical ideas worthy of debate
  - Replace income tax with consumption tax
  - Financial transaction tax
  - Carbon tax
- Surprisingly detailed tax proposals from most candidates
  - Lots of teachable moments

## The Bad

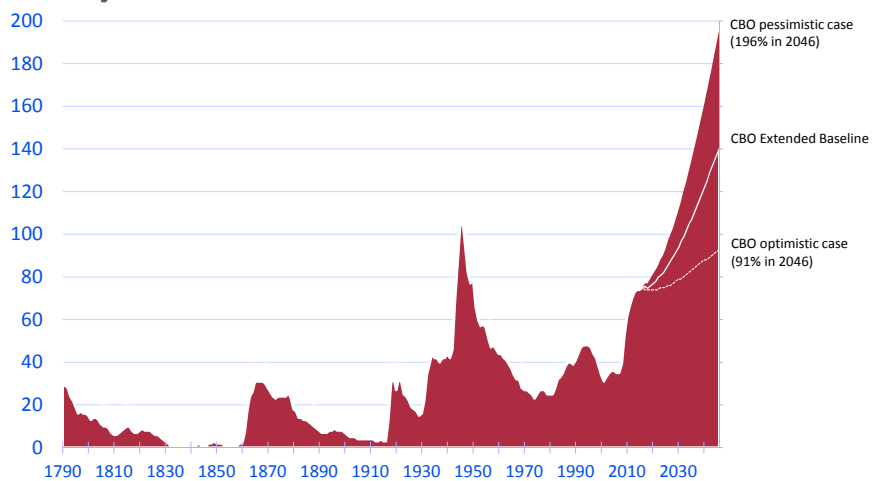


- Giant tax cuts with no plausible way of offsetting the revenue loss
  - Especially problematic in light of growing pressures on the budget from aging baby boomers and rising health care costs
  - Candidates insisted their plans were fiscally responsible, but the numbers just didn't add up

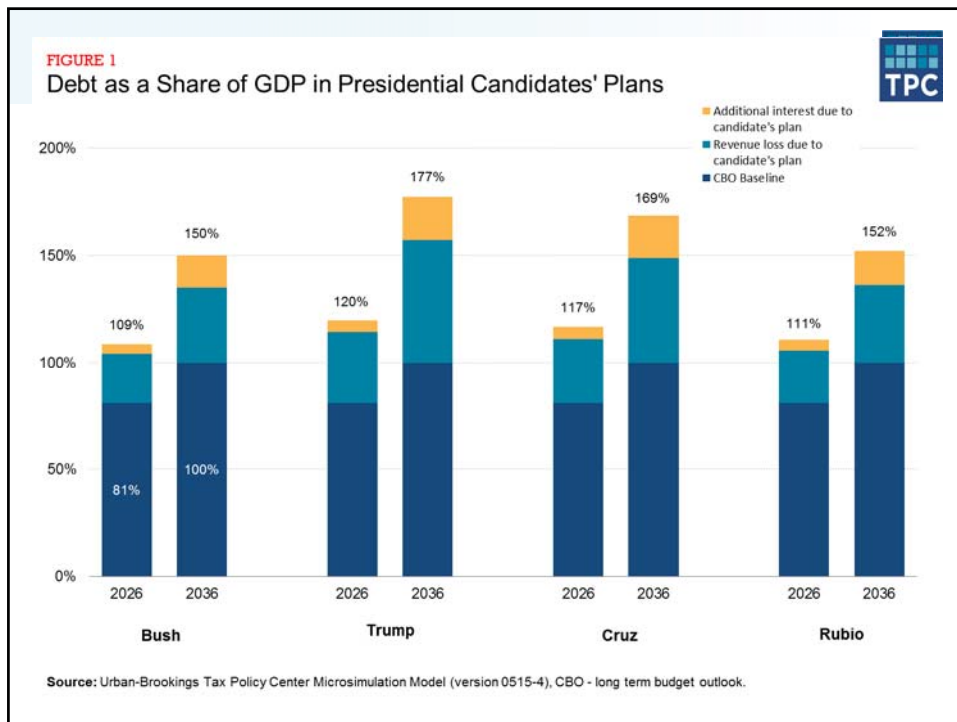
## The Elephant in the Room



Debt Held by the Public as % of GDP



Source: CBO Long-Term Budget Outlook, 2016.



## The Ugly

- Ultimate presidential candidates' tax proposals were short on innovation.
- Clinton proposal would have made tax code more progressive and raised revenue, but also made code more complex
- Clinton/Obama doctrine of never raising taxes on 95% of Americans would make individual tax reform very hard
  - Business tax reform possible because corporations aren't people. (Pols and voters don't understand tax incidence.)

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: The 2016 Election and Prospects for Tax Reform

Also available as part of the eCourse

[2016 Taxation eConference](#)

First appeared as part of the conference materials for the  
64<sup>th</sup> Annual Taxation Conference session

"The 2016 Election and Prospects for Tax Reform"