

AERIA's tax reform is not a broadside on the middle class. It targets loopholes that let large corporations pay near-zero effective rates, raises top individual brackets affecting fewer than 1% of taxpayers, and redirects the revenue to debt reduction, healthcare, and tax relief for working families.

TITLE I — INDIVIDUAL INCOME TAX REFORM

Taxable Income	2025 Rate (Current)	2026 Rate	2028+ Rate
Up to \$500K (single) / \$1M (joint)	37%	37% (unchanged)	37% (unchanged)
\$500K–\$2M (single) / \$1M–\$4M (joint)	37%	41%	44%
\$2M+ (single) / \$4M+ (joint)	37%	37%	46% → 48% (2030)

- Standard deduction indexed to inflation + 5% annually to keep pace with living costs
- Child Tax Credit increased \$1,000/child and made fully refundable — helps working families, not just those who itemize
- EITC expanded for childless workers (+\$500 max credit) — rewards work at every income level
- IRS enforcement funding: \$10B/year for 5 years, focused on high-income compliance and complex corporate filings
- Public Tax Fairness Dashboard published annually — full transparency on who pays what
- Revenue from top brackets (one-third each): Debt Lockbox Fund, Public Health Plan Fund, deficit reduction

TITLE II — CORPORATE TAX MODERNIZATION

Provision	Current Law	Under AERIA
Federal corporate income tax rate	21%	28% (phased: 24% → 26% → 28%)
Minimum effective tax rate	None (many pay 0%)	15% on book profits — no exceptions
Foreign earnings deferral	Allowed indefinitely	Taxed in year earned; 10% repatriation rate
Offshore profit-shifting	Widely exploited	Deductible payments to foreign related parties capped at 50% of taxable income
Corporate inversions	Largely permitted	Foreign cos. with U.S. management treated as U.S. taxpayers; 10% p
Stock buybacks (with federal credits)	Deductible	5% non-deductible surtax on buybacks >\$10M
R&D tax credit (SMEs)	10–15%	Expanded to 20%, made permanent
Country-by-country reporting	Not required publicly	Mandatory for all corps with \$500M+ revenue

TITLE III — SMALL BUSINESS & DOMESTIC INDUSTRY SUPPORT

- Section 179 expensing cap raised to \$2 million (adjusted for inflation) — helps small businesses invest immediately
- Micro-grant tax credit of up to \$5,000 for startups and businesses with fewer than 5 employees
- Reshoring Investment Credit: 20% tax credit (up to \$50M/project) for manufacturing facilities relocated to the U.S.

- 50% bonus depreciation for capital investments in rural or economically distressed areas
- \$5 billion annual Transition Assistance Fund (2026–2030) for workers in communities affected by subsidy terminations
- Main Street Investment Initiative: consolidated federal small-business grants prioritizing women-, veteran-, and minority-owned businesses
- Repeal of the 199A pass-through deduction (61–75% benefited the top 1%) — replaced with targeted small-business benefits

10-YEAR REVENUE PROJECTIONS

Title	Source	Projected 10-Year Revenue
I	Individual rate reform (all brackets)	\$450–700 billion
II	Corporate rate + min tax + anti-inversion + profit shifting	\$1.3–1.6 trillion
III	Net cost (credits and transition assistance)	(\$200–300 billion)
Combined Titles I–III		\$1.45–2.0 trillion net