

# **AIA 2016 Presidential Candidate Profiles**



**Where They Stand:  
Energy, International  
Trade, Small Business  
& Taxes**



# Introduction

In the next few months Americans will go to the polls to determine the Democratic and Republican Parties' nominees for the 2016 presidential election.

The individual who takes the Oath of Office as the 45th President of the United States next January will help shape policies that affect the practice of architecture and the built environment, from the taxes that design firms pay to the energy and environmental policies that will shape design and construction.

That is why the AIA is providing comprehensive, non-partisan information on where the major candidates for President stand on key issues. The AIA does not endorse candidates for President, and how you vote is your business. The election offers America's architects a chance to make their voice heard. Our goal is to help AIA members make informed decisions based on what candidates have said on critical issues architects will face in the next four years.

We hope you will find these presidential profiles useful as you follow the elections and consider how you will vote. If you have questions or comments, please add them to the discussion on the AIA Advocacy Facebook page. You also can email the AIA directly at [govaffs@aia.org](mailto:govaffs@aia.org).



# Resources

There are countless sources of information about the 2016 Presidential candidates available online. Here are just a few.

*\* Website descriptions are from the sites; these websites are provided as a service to AIA members without endorsement or recommendation.*

- [www.votesmart.org](http://www.votesmart.org)  
“Project Vote Smart's mission is to provide free, factual, unbiased information on candidates and elected officials to ALL Americans. On this site you can create an account and track your candidates, officials, and legislation, and receive notifications and important updates on information that interests you.”
- [www.ballotpedia.org](http://www.ballotpedia.org)  
“Ballotpedia is an online encyclopedia of American politics and elections. Their goal is to inform readers about politics by providing accurate and objective information about politics at all levels of government. Their content includes neutral, accurate, and verifiable information on government officials and the offices they hold, political issues and public policy, elections, candidates, and the influencers of politics. Ballotpedia is sponsored by the Lucy Burns Institute, a nonpartisan and nonprofit organization headquartered in Madison, Wisconsin.”
- [www.iSideWith.com](http://www.iSideWith.com)  
“isidewith was started in March 2012 by two friends with two very different views of politics. They work to find and build new ways to boost voter engagement and education using information, data, and breaking technologies. They are not affiliated with any investors, shareholders, political party or interest groups.”
- [www.realclearpolitics.com](http://www.realclearpolitics.com)  
“RealClearPolitics is the trusted, non-partisan, convener in a content-rich media environment; thoughtfully curating the best coverage from every angle of the day's most critical issues. As a destination for elected officials, opinion leaders and engaged citizens, RealClearPolitics provides a platform, elevating the best-of-the-best in journalism.”

# Websites

- [www.ontheissues.org](http://www.ontheissues.org)  
“On the Issue’s mission is to provide non-partisan information for voters in the presidential election, so that votes can be based on issues rather than on personalities and popularity. They get their information daily from newspapers, speeches, press releases, and the internet. They rely on donor support to keep the web site in operation.”
- [www.crowdpac.com](http://www.crowdpac.com)  
“Crowdpac’s mission is to give politics back to people – to make it easier for citizens to learn about politicians, and to find and support political candidates that match their priorities and beliefs. They want to help end the stranglehold of big money donors and special interests on the political system and to help create a more representative democracy. Crowdpac is independent, non-partisan and for-profit. “
- [www.nationaljournal.com](http://www.nationaljournal.com)  
“National Journal’s mission is to equip government and business leaders, and other civic minded Americans, with the solution based tools, information, targeted insights and connections they need to do their jobs more efficiently and effectively in order to make government work.”
- [www.factcheck.org](http://www.factcheck.org)  
“FactCheck.org is a nonpartisan, nonprofit “consumer advocate” for voters that aims to reduce the level of deception and confusion in U.S. politics. They monitor the factual accuracy of what is said by major U.S. political players in the form of TV ads, debates, speeches, interviews and news releases. FactCheck.org is a project of the Annenberg Public Policy Center of the University of Pennsylvania.”
- [www.fivethirtyeight.com](http://www.fivethirtyeight.com)  
Fivethirtyeight.com is a source for up to date political news and polling analysis.
- [www.politico.com](http://www.politico.com)  
POLITICO is a news aggregator and source for up to date political news.

# Energy

From transportation costs to residential heating prices, energy policy impacts every American. The built environment plays a vital role in the nation's energy policy: nearly 75 percent of U.S. electricity use is from buildings, and buildings account for nearly 40 percent of greenhouse gas emissions in the country.

**Where AIA Stands:** The design, construction and operation of the built environment require an investment of the Earth's resources. As such, the AIA supports governmental policies, programs, and incentives to encourage energy conservation as it relates to the built environment as well as aggressive development and harvesting of energy from renewable sources. The AIA supports policies that promote energy efficiency and waste reduction in the built environment; encourage energy-conscious design and technology; and support the more efficient use and recycling of non-renewable resources and carbon-neutral design strategies.

Sustainable design also represents a business opportunity for architects, who possess the unique professional skills needed to meet increasingly ambitious energy conservation goals for both new and existing buildings.

# Infrastructure

Infrastructure plays an enormous role in our society, and has an impact on virtually every aspect of our nation's communities, touching everything from economic development to Americans' quality of life.

A robust infrastructure system ensures that we are able to move not only goods and services, but also people, in the most effective way possible. From an economic standpoint, infrastructure has the ability to enhance the efficiency of production, transportation, and communication, and to provide economic incentives to public and private sector participants. Infrastructure is also a powerful social tool, and is essential for sustainable socioeconomic development.

Despite this importance, infrastructure investment is woefully inadequate. The nation's infrastructure is outdated and, in many cases, dangerous, compared to that of many other industrial democracies. According to the American Society of Civil Engineers, the U.S. needs to spend \$1.6 trillion before 2020 just to maintain the current poor condition of our infrastructure. In the same way that sufficient investment in infrastructure leads to vast economic and social impacts, neglecting our nation's infrastructure system can have dire consequences.

The potential benefits of properly investing in infrastructure are boundless. For example, the upfront costs of building a resilient and energy-efficient infrastructure would be more than offset by savings throughout its lifecycle. Furthermore, focusing on design that engenders greater community health is another way to not only save costs, but to enhance the lives of individuals.

**Where AIA Stands:** The AIA supports initiatives and proposals that seek to rebuild our nation's infrastructure. Investments today will pay dividends in the form of greater efficiencies, economic growth, and other societal benefits for years to come. Also important is the recognition by lawmakers that buildings are a major component of our nation's infrastructure system, and are integral to improving the quality of our communities and creating jobs.

# International Trade

International project activity has become an increasingly important segment of work at U.S.-based architecture firms over the last decade, as new markets open up and technology makes it easier to conduct business abroad. In the face of rapid economic and population growth, nations across the world are calling on AIA members for their proven expertise in meeting their unique needs.

As a result, architects have established themselves as a significant presence on the world stage, making international policy a critical part of the future of the profession.

On trade issues, much of the debate has been over the Trans-Pacific Partnership (TPP), a trade agreement among twelve countries (including the U.S., Japan, and Mexico) aimed at deepening economic ties between these nations, reducing or eliminating tariffs, and incentivizing trade. Supporters claim it will unleash new economic growth for countries involved, while critics fear it may lead to the loss and exporting of U.S. jobs. Congress has granted the President “fast-track” authority (formally called Trade Promotion Authority, or TPA) over the deal, which requires lawmakers to review and approve the agreement but does not allow them to amend or filibuster it.

**Where the AIA Stands:** The AIA supports policies that promote excellence in international practice and facilitate the procurement of architectural services in new and existing markets.

# Small Business

Architecture is a true small business profession . More than 95 percent of architecture firms in the United States employ 50 or fewer people – and many architects working one- or two-person firms.. Overall, there are about 20 million small businesses nationwide; they employ about 77 million Americans and account for more than 60 percent of each new job created. Since small businesses are the proven drivers of economic growth and job creation, understanding the policies being advocated by presidential candidates is of critical importance.

Virtually all candidates for U.S. President tout their support for small businesses. However, the 2016 candidates have provided few policy proposals that specifically relate to small businesses. The following analyses therefore draw from (when applicable or available) candidates' tax and other policy proposals, public statements or documents, and past legislative history.

**Where the AIA Stands:** Small architecture firms and sole practitioners work in every community in the country to help homeowners and businesses design better buildings. Small firms face unique challenges in dealing with regulatory burdens, cash flow issues and access to government procurement opportunities.

The AIA supports policies that help small firms thrive, including providing access to capital through the U.S. Small Business Administration and ensuring a fairer federal procurement process. Because the majority of small architecture firms operate as pass-throughs, like S corporations and partnerships, that are taxed at the individual and not corporate rate, the AIA strongly supports reforms to the tax code that ensure pass-throughs do not pay higher tax rates than C corporations.



# Student Debt

Architecture students are graduating with decidedly high loan balances that affect professional competitiveness in the short and long term. This causes many graduates to leave architecture programs, depriving the country of the professionals who will design and retrofit the next generation of buildings.

A recent poll conducted by the American Institute of Architecture Students (AIAS) of 600 architecture school graduates revealed the extent of the problem. Respondents had an average of \$40,000 in accumulated debt after graduation, as well as many unexpected costs specific to their architectural training. These costs included more than \$1,000 annually on materials for models and project submissions, \$800 on text books and technology spending, accounting for a total of \$1,500 a year in additional accumulated debt. Overall, there is an estimated \$1 trillion in outstanding student loan debt among Americans.

In a challenging economic climate where jobs for architecture graduates are scarce, there is a real danger that many graduates will leave the profession, potentially depriving the country of an entire generation of design professionals. It is crucial that not only architecture students, but the entire profession, get involved in the debate over student loan funding and continue advocating for policies that keep architecture graduates active in the profession and serving their communities.

**Where AIA Stands:** The AIA is committed to advocating on behalf of the architecture student community to address the financial burdens imposed on students from crushing student loan debt. The AIA urges Congress to pass legislation – namely the National Design Services Act – that provides student debt relief to graduating architecture students in exchange for pro bono work in distressed communities.

# Taxes

Tax policy plays a critical role not just in raising government revenue, but in influencing the behavior of both businesses and individuals. Concern over the complexity of our nation's tax code has grown in recent years, driving the debate among the presidential candidates on how best to overhaul the code and address its inadequacies. Though the proposals introduced so far are varied in substance and detail, they offer an important glimpse into each candidate's vision for reforming the tax code, and the potential impacts these changes would have on design firms across the country.

**Where AIA Stands:** The AIA supports a tax code that promotes economic growth, fairness, and predictability. The design industry is critical to our nation's economy, because hiring an architect is often a catalyst for employment in other construction-related fields, from engineers and manufacturers, to steel and electrical contractors. Unfortunately, one of the sectors most deeply impacted by the economic recession in 2008 – and still feeling its negative effects – is the design and construction industry. That is why tax provisions like the 179D Energy Efficient Commercial Building Deduction (which incentivizes energy-efficient construction, creates thousands of jobs, and reduces building lifecycle costs) are so important, and should be preserved, improved, and expanded.

Ensuring the tax code treats all businesses fairly is another vital piece of the tax reform puzzle. Nearly four in five architecture firms are organized as pass-throughs, which include S corporations, sole proprietorships, and partnerships, and some tax reform proposals may require them to pay with higher taxes. A number of firms also have significant operations abroad, and the fair treatment of their income is essential. Treating the income of two otherwise identical businesses differently solely on the basis of their tax designation is bad policy and should be minimized to the greatest extent possible.

Finally, the tax code should be predictable. Tax policy that constantly changes, with provisions that expire each year, makes it impossible for businesses to plan for the future. A perfect example of this uncertainty is the 179D energy efficient deduction: because it is part of the tax provisions that expire regularly, businesses are forced to play an annual guessing game about whether Congress will renew the deduction. Predictability should therefore be a central part of any tax reform proposals.

# **Democratic Primary**



## Where She Stands

# Hillary Clinton

**Party:**

- Democrat

**Formerly:**

- Secretary of State, 2009-2013
- Member, US Senate since 2001-2009
- First Lady, 1993-2001

**Website:**

- [www.hillaryclinton.com](http://www.hillaryclinton.com)

**Education:**

- Wellesley College, Yale Law

**Campaign Tagline :**

- Hillary for America

**Notable Endorsements:**

- American Federation of Teachers
- Madeleine Albright
- Andrew Cuomo
- Tom Vilsack
- Julian Castro
- Warren Buffett

**Policy Goals:**

- Increase investment in infrastructure, research, and education
- Raise federal minimum wage
- Tax breaks for working class and small businesses
- Protect unions
- Make college affordable
- Reduce healthcare costs
- Equal pay for women
- National paid leave program
- Protect voting rights and implement universal automatic voter registration
- Produce 33% of electricity using renewable energy by 2027

*\*Background Information Courtesy of the National Journal.*

# Hillary Clinton

## Energy

While serving in the Senate, Secretary Clinton voted to ban drilling in the Arctic National Wildlife Refuge, prevent the export of oil and gas produced in the refuge, and in favor of an amendment calling for a reduction in U.S. dependence on foreign oil imports by 40 percent by 2025. As Secretary of State she took steps to try and enable allies with promising shale geologies to replicate the practice of hydraulic fracturing, or fracking (the process of drilling down and releasing high-pressure water at the rock to release gas inside). She has described natural gas as a “bridge fuel” as part of the transition from coal to renewable energy, and has expressed concern about the geopolitical and economic risks driven by climate change. She has proposed taxing the “excess profits” of oil companies and cutting their tax breaks, using those revenues to invest in clean energy technology. She also supports boosting fuel efficiency standards for vehicles. In a 2014 speech she said that climate change is “the most consequential... collection of challenges we face as a nation and a world.” Sec. Clinton, like the other Democratic candidates, opposes the Keystone pipeline. In a 2015 Democratic debate, Secretary Clinton expressed opposition to the Trans-Pacific Partnership (TPP) trade agreement. (As Secretary of

State she advocated generally for a comprehensive trade deal, but opposes the current draft that has been released, stating “it didn’t meet my standards.”) As a U.S. Senator, she also supported trade agreements with Oman, Singapore and Chile. Secretary Clinton supported passage of trade promotion authority earlier this year on the condition that the legislation included trade adjustment assistance for workers.

Secretary Clinton has been outspoken on the subject of preventing inversions, a strategy used to reduce a company’s tax liability by relocating overseas, and her tax proposal would create new penalties for firms who invert.

## Infrastructure

Last year Secretary Clinton released her comprehensive infrastructure plan, which calls for an increase in federal infrastructure funding by \$275 billion over a five-year period (with \$250 billion of that total allocated to direct public investment and the other \$25 billion going to a national infrastructure bank that would issue loans and other forms of credit enhancement). Her proposal would expand public transit options in targeted communities, enhance the passenger rail system, invest in clean

# Hillary Clinton

energy infrastructure technology, and modernize dams and levees to improve safety and generate clean energy. Secretary Clinton has also called for the reauthorization of the Obama Administration's Build America Bonds, which are designed to stimulate investment in infrastructure by broadening the market for municipal borrowing.

## International Trade

In a 2015 Democratic debate, Secretary Clinton expressed opposition to the Trans-Pacific Partnership (TPP) trade agreement. (As Secretary of State she advocated generally for a comprehensive trade deal, but opposes the current draft that has been released, stating "it didn't meet my standards.") As a U.S. Senator, she also supported trade agreements with Oman, Singapore and Chile. Secretary Clinton supported passage of trade promotion authority earlier this year on the condition that the legislation included trade adjustment assistance for workers.

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## Small Business

Secretary Clinton has expressed her desire to be a "small business president," and has proposed a student loan assistance program as a way to financially unburden potential startup founders. She favors reforms that cut the time and resources to start a business, lowering tax compliance costs, and expanding access to capital and new markets for small businesses. No further specifics have been provided.

While in the Senate, Clinton cosponsored legislation to boost small, minority-owned businesses, and a bill to boost disaster loans to small businesses suffering economic injury as the result of a disaster. She currently supports a \$12 federal minimum wage.

## Student Debt

Secretary Clinton last year introduced the New College Compact, a plan that aims to eliminate barriers to obtaining a higher education degree. Regarding student debt she remarked, "No family and no student should have to borrow to pay tuition at a public college or university. And everyone who has student debt should be able to finance it at lower rates." Secretary Clinton's campaign website states that the plan is expected to cost \$350 billion over 10 years, with approximately one-third of those

# Hillary Clinton

finds being directed toward “relief on interest from student debt.” Her plan would allow every American with outstanding public debt to refinance their student loans at the current, lower interest rates, cut rates on new loans, and simplify the process for enrolling in income-based repayment that can limit debt.

## Taxes

Secretary Clinton’s tax proposal does not include changes to the current income tax brackets, but would cap the tax value of itemized deductions at 28 percent of the deduction. The American Opportunity Tax Credit (which helps with college-related expenses) would be made permanent, a new 30 percent minimum tax rate would be imposed on individuals earning over \$1 million, and medium-term capital gains (on investments held for fewer than six years) rates would be raised to between 24 percent and 39.6 percent.

On the business side, Secretary Clinton would strengthen rules preventing inversions, including the creation of a new “exit tax” on un-repatriated earnings of U.S. firms who choose to invert. (An “inversion” is the strategy of reducing a company’s tax burden by reincorporating overseas, where foreign earnings remain untaxed by the U.S.) Her plan would also establish business tax credits for profit-sharing and apprenticeships.



## Where He Stands

# Bernie Sanders

**Party:**

- Democrat

**Currently:**

- US Senator, Vermont

**Formerly:**

- US House, Vermont
- Mayor, Burlington, Vermont

**Website:**

- [www.berniesanders.com](http://www.berniesanders.com)

**Education:**

- Brooklyn College, Univ. of Chicago

**Campaign Tagline:**

- Feel the Bern

**Notable Endorsements:**

- National Nurses United
- Friends of the Earth
- Keith Ellison
- Raúl Grijalva

**Policy Goals:**

- Increase federal minimum wage to \$15 an hour by 2020
- Invest \$1 trillion over 5 years in infrastructure, creating 13 million jobs
- Reverse NAFTA, CAFTA, PNTR trade policies
- Invest \$5.5 billion in a youth jobs program
- Expand social security
- Medicare for all, single-payer system
- Break up big banks
- Required paid leave
- Free tuition at public colleges
- Sign Paycheck Fairness Act
- Universal childcare program
- Ban for-profit prisons
- Eliminate mandatory minimum sentences
- Federally fund and require body cameras for law enforcement

*\*Background Information Courtesy of the National Journal.*



# Bernie Sanders

## Energy

Although Sen. Sanders has yet to release a comprehensive energy policy plan for his White House bid, his record in the Senate and some recent interviews shed light on where he stands. In 2015 he told *The Washington Post* what his energy plan might be: “It would look like a tax on carbon; a massive investment in solar, wind, geothermal...” In February of 2013, Sanders joined together with Sen. Barbara Boxer (D–CA) to launch a comprehensive climate change strategy. The reforms were split into the Climate Protection Act and the Sustainable Energy Act. Key initiatives included carbon pricing, an end to certain fuel subsidies, new restrictions and transparency mandates on fracking (the process of drilling down and releasing high-pressure water at the rock to release gas inside), and investments in renewable energies. Overall, the initiative sought to reduce carbon emissions by 80 percent by the year 2050. Sen. Sanders’s home state of Vermont was the first to ban the practice of fracking, and he supports the position. He supports reducing oil demand by imposing more stringent fuel economy standards. Sen. Sanders, like the other Democratic candidates, opposes the Keystone pipeline.

## Infrastructure

On his website, Sen. Sanders argues that our nation’s infrastructure system “has not kept up with the pace of our country’s growth, or the advances in technology”; to help solve this problem, he proposes investing \$1 trillion in infrastructure. He contends that the cost of merely maintaining and operating our existing, antiquated infrastructure system far exceeds this \$1 trillion figure. Sen. Sanders’ proposal is based on the Rebuild America Act of 2015, which he introduced last year.

## International Trade

Sen. Sanders is opposed to most major trade agreements in the U.S. He believes that most of the negotiations ultimately benefit Wall Street and large corporations while injuring the American worker. He regularly cites the fact that the North American Free Trade Agreement (NAFTA) and trade agreements with China have resulted in a significant loss of jobs. He has been critical of the Trans-Pacific Partnership (TPP) trade agreement and also voted against the final passage of granting trade promotion authority.

As a member of Congress, Sanders previously voted against trade agreements with Singapore, Chile, Oman, Peru,

# Bernie Sanders

Colombia and the Central America-United States Free Trade Agreement. He favors ending the deferral of tax on foreign income, and his tax plan would create several limits on the foreign tax credit. Sen. Sanders would also revise rules governing corporate inversions to make them less attractive to businesses.

## Small Business

Sen. Sanders has been an outspoken supporter of expanding access to capital for small businesses, in part by providing small business loans at the same rate offered by the Federal Reserve to foreign banks. In the Senate, Sanders backed the Small Business Jobs Act of 2010, a response to the economic crisis which was then at its peak. He currently supports a \$15 federal minimum wage.

## Student Debt

Sen. Sanders' stance on student debt mirrors some of the issues that Secretary Clinton is pushing for, but goes a step further. Under his plan, low-income students would use state, federal, and institutional aid to cover tuition, living and other expenses. He would also like to see an increase in federal aid programs, and calls for the government to "more than triple the federal work-study program to build

valuable career experience that will help [students] after they graduate."

No specifics regarding this statement are provided, but it could be interpreted to mean that more students would have the ability to work for their aid money, rather than receive it in the form of loans or grants. Sen. Sanders' position on these other programs remains unclear, but he is also a proponent of lowering interest rates on both future and existing student loans.

## Taxes

For individuals, Sen. Sanders' tax plan would raise the rate of all existing tax brackets by 2.2% and establish four new brackets of 37%, 43%, 48%, and 52% on the top of the current structure. The highest rate of 52% would apply to joint filers with income greater than \$10 million. Sen. Sanders would cap the tax benefit of itemized deductions, but eliminate the alternative minimum tax. For joint filers with incomes over \$250,000, capital gains and dividends would be taxed at ordinary income rates rather than the current, lower rates (which typically fall between 0% and 20%).

For businesses, Sen. Sanders proposes ending the deferral of tax on foreign income; imposing new limits on the existing foreign tax credit; and revising rules about

# Bernie Sanders

corporate inversions. (An “inversion” is the strategy of reducing a company’s tax burden by reincorporating overseas, where foreign earnings remain untaxed by the U.S.) He would raise the employer-side payroll tax rate by 6.2%, apply the Social Security payroll tax to earnings over \$250,000, and create a new payroll tax of 0.2%, specifically to fund paid family leave. He has not released specifics regarding changes to the taxation of corporate income, nor that of pass-through income. However, if the proposed individual rates were to be applied to pass-through business income, the more than three-fourths of architecture firms organized as pass-throughs would likely see increases in their marginal tax rates, likely being taxed at one of the four new tax brackets (ranging from 37% to 52%).

# **Republican Primary**



## Where He Stands

# Donald Trump

**Party:**

- Republican

**Currently:**

- Chairman, The Trump Organization

**Website:**

- [www.donaldjtrump.com](http://www.donaldjtrump.com)

**Education:**

- University of Pennsylvania

**Campaign Tagline:**

- Make America Great Again!

**Notable Endorsements:**

- Alan Cobb
- Brad Zoun
- Virgil Goode
- Sarah Palin

**Policy Goals:**

- Build a wall along the southern border
- Enforce immigration laws
- Put American workers first
- Raise prevailing wage for H-1B visas
- Free market plan for healthcare to keep it affordable; return authority to the states
- Increase taxes on imported goods and renegotiate fair trade agreements
- Defend right to bear arms; enact national right to carry
- Provide veterans with access to the best quality care
- Declare China a currency manipulator

*\*Background Information Courtesy of the National Journal.*

# Donald Trump

## Energy

Mr. Trump has repeatedly referred to oil as the “lifeblood” of our nation and job market, and favors a number of strategies for pursuing energy independence, including the sometimes controversial practice of “fracking” (the process of drilling down and releasing high-pressure water at the rock to release gas inside) and challenging the authority of the Organization of the Petroleum Exporting Countries (OPEC), a group consisting of some of the world’s largest oil producing nations. Mr. Trump, like all the other GOP candidates, has conveyed support of construction of the Keystone pipeline.

## Infrastructure

In 2015 Mr. Trump emphasized the importance of investing in our nation’s infrastructure, stating, “We’ve spent \$4 trillion trying to topple various people [in the wars in Iraq and Afghanistan]...if we could’ve spent that \$4 trillion in the United States to fix our roads, our bridges and all of the other problems... we would’ve been a lot better off.” In his book, *Crippled America*, Mr. Trump makes a similar point, and stresses that inadequate infrastructure costs the American people “an estimated \$200 billion a year in reduced productivity.” The candidate has also touted his

background in the construction industry as an asset. He has not provided any specific proposals regarding specifics of his infrastructure strategy.

## International Trade

Mr. Trump has raised objections about current negotiations to conclude the Trans-Pacific Partnership (TPP) trade agreement, and has stated that China and Japan took advantage of the U.S. in the negotiations; he points to Chinese and Japanese currency manipulation as an example. He called for congressional rejection of trade promotion authority and the TPP.

Mr. Trump has proposed imposing tariffs and duties on certain imports, and declared free trade a “disaster for working Americans.” (He later said “I believe in free trade...but free trade’s only good if you have smart representatives.”) Mr. Trump has taken aim at what he believes to be Obama administration inaction on alleged Chinese currency manipulation, suggesting that he would be better equipped to solve the problem. His tax plan would end the deferral of overseas corporate income (meaning firms would have to pay tax on foreign earnings regardless of whether they are repatriated into the U.S.) and tax firms with overseas earnings at a one-time 10 percent rate.

# Donald Trump

## Small Business

On his website and in public statements, Mr. Trump has reiterated his view that small businesses should fall under the same statutory tax rate as bigger firms. He points to this as the rationale for imposing a lower, 15-percent top rate both for businesses paying the corporate rate and for pass-throughs, which include S corporations, sole proprietorships, and partnerships, and which make up the large majority of design firms, and which pay the individual rate. (Some candidates' plans seek a drop in the corporate rate, but do not specifically address the rates paid by pass-through businesses. In these instances though, it is likely that pass-throughs would pay individual rates as they currently do.)

Mr. Trump favors phasing in a "reasonable cap" on the deductibility of business interest expenses; that is, the amount of interest generated from a loan that a business can deduct. He has called for reducing or eliminating some "corporate loopholes that cater to special interests" (though no specifics have been provided) and generally reducing the amount of regulations faced by small businesses, particularly those issued by the EPA.

## Student Debt

Mr. Trump has not released any specific proposals regarding student loans, but

has criticized the federal government for the profit generated by federal student loans. In July 2015 he stated, "That's probably one of the only things the government shouldn't make money off – I think it's terrible that one of the only profit centers we have is student loans." Trump went on to say, "I see so many young people and they work really hard for four years...they mortgage their future...they can't get jobs and they don't know what to do." Mr. Trump also expressed concern that colleges have no incentive to "bring the costs down" leading to increased borrowing by students, but has not indicated how he would address this.

## Taxes

In a September 2015 Wall Street Journal piece, Mr. Trump outlined his plan to overhaul the nation's tax code. It would establish four individual tax brackets, with rates of zero percent, 10 percent, 20 percent, and 25 percent. (The zero percent rate would apply to single filers making under \$25,000 and joint filers under \$50,000; the top rate is for income over \$150,000 for single filers and \$300,000 for joint filers.) The Alternative Minimum Tax would be eliminated, along with the Net Investment Income Tax, and a 3.8 percent Medicare surtax on certain investment income. With the exception of the charitable

# Donald Trump

deduction and mortgage interest deduction, all personal tax deductions would be eliminated.

Business tax rates would also see across-the-board cuts, with the top corporate rate being dropped to 15 percent. Pass-through businesses, which include S corporations, sole proprietorships, and partnerships, and which make up the large majority of design firms, would also see a lower 15 percent rate. Mr. Trump's plan would end the deferral of overseas corporate income and impose a one-time "deemed repatriation" of corporate cash held overseas at a 10 percent rate, but keep in place the foreign tax credit. The candidate has not discussed modifying existing business expenditures, such as the 179D deduction for energy efficient commercial buildings or the research and development credit.