

Are Capital Gains Taxes Changing?

Reach out if you have any concerns about capital gains taxes.

Provided by DSA Financial Group

There are a lot of questions about President Biden's Build Back Better plan and potential tax law changes, including an adjustment to capital gains taxes.

One of the proposals Congress is considering sets the top rate for taxing capital gains at 25%, up from 20% under current law. Another would raise the capital gains tax rate to 39.6% for taxpayers earning \$1 million or more. Still another would make the change to capital gains tax retroactive, with a start date of April 2021.^{1,2}

At this point, many ideas are being considered as legislators look for ways to raise revenue to help pay for the Build Back Better plan. Corporate tax rates, individual tax rates, estate tax rules also are on the negotiating table.

As difficult as it may be, the best approach is to wait and see. It would be hasty to make any portfolio changes based on current discussions. An ambitious investor would have to guess what policies will be in the final bill, estimate the financial impact, and determine any needed portfolio changes. That's a tall order.

So please, reach out if you have any concerns about capital gains taxes.

It can be challenging to wait for Congress to act, and you may feel a bit helpless with so many pending proposals. We work with professionals who are watching every move in Washington, and we may be able to offer some insight that addresses your most pressing questions.

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Citations

1. Bloomberg.com, September 13, 2021
2. Bloomberg.com, June 16, 2021