



## Potential Harris Campaign Proposals for the Top Rate on Capital Gains

Published on September 5, 2024

<https://budgetmodel.wharton.upenn.edu/estimates/2024/9/5/potential-harris-campaign-proposal-capital-gains-top-rate>

Summary: In recent campaign speeches, Vice President Kamala Harris has spoken\* about raising the top marginal rate on long-term capital gains. Official campaign sources have yet to release sufficient details about the proposal to model it fairly and effectively. However, reporting on the proposal\*\* suggests that the yet-to-be-detailed plan would add a new top rate for long-term capital gains, taxing them at 28% for filers with more than \$1 million of income. Reporting also indicates that the Harris campaign is in favor of raising the net investment income tax (NIIT) from 3.8% to 5% for filers with more than \$1 million of income, although this claim has also not yet been independently confirmed by official campaign sources. Together, these proposals would amount to an all-in marginal tax rate of 33% on long-term capital gains for high income filers. Notably, this is below the all-in 44.6% top marginal rate for capital income in President Biden’s proposed 2025 budget.\*\*\*

Table 1 shows conventional revenue estimates for these two new proposals. They are estimate as stacked after other policies that we already analyzed in our Harris Campaign analysis released on August 26, 2024.\*\*\*\* PWBM estimates that together these two new proposals alone would raise \$143.6 billion over the 10-year budget window, which offsets some of the Harris campaign revenue losses that we previously estimated in our August 26 release. Relative to the Biden FY 2025 Budget, however, these two proposals would lose \$308 billion over the 10-year window.

\* <https://www.axios.com/2024/09/04/harris-capital-gains-tax-small-business-economy>

\*\* <https://www.wsj.com/politics/elections/kamala-harris-to-pare-back-bidens-capital-gains-tax-proposal-14c537b1>

\*\*\* <https://budgetmodel.wharton.upenn.edu/issues/2024/5/22/president-bidens-fy2025-budget-proposal>

\*\*\*\* <https://budgetmodel.wharton.upenn.edu/issues/2024/8/26/harris-campaign-policy-proposals-2024>

\*\*\*\* The revenues effects in Table 1 are estimated on a conventional basis, meaning they do not incorporate all economic responses to changes in policy. In addition, estimates are presented in Table 1 on a “stacked” basis to capture interaction effects. This means that the revenue effect of any one proposal partly depends on the order in which it appears in the table.

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[Table 1. Revenue Effect of Potential Harris Campaign Capital Gains Proposals](#)



**Table 1. Revenue Effect of Potential Harris Campaign Capital Gains Proposals**

*In billions of dollars*

Provision	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	Total, 2025 - 2034
Additional 28% marginal long term capital gains rate for high earners	0	11	13	11	11	11	11	12	12	13	14	118
Higher NIIT surtax for high earners	0	-2	3	3	3	3	3	3	3	3	4	26
<b>Total</b>	<b>0</b>	<b>9</b>	<b>16</b>	<b>14</b>	<b>13</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>17</b>	<b>17</b>	<b>144</b>

Notes: Estimates stacked after our Harris Campaign proposal estimates, as originally posted on August 26, 2024.

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