

Long-Term Capital Gains Potentially at 43.4%; This is Not New Information

- Last week, it made news that President Biden plans to raise the highest overall long-term capital gains rate to 43.4% for those earning over \$1 million. However, this proposal was not new. This suggestion has been part of the president's tax plan for some time.
- Re-releasing the details of the possible capital gains hike reengaged focus on the aggressive economic agenda the president is seeking. This time, the focus was mostly unhelpful. Voters and high-income taxpayers may not be ready.
- We note that generally, taxes are likely to go up for upper income earners, according to a Tax Foundation analysis after a study of the president's tax plan proposal. We'd like to see the specifics after they are presented Wednesday night. However, if the specific results are close to the Tax Foundation's October 2020 analysis, the value of municipal bonds are likely to increase because of increased demand and relative scarcity.

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