

President Biden's Infrastructure and Tax Proposal

On Wednesday, March 31, 2021, the Biden Administration released a \$2.25 Trillion Infrastructure and Tax Proposal. A fact sheet on the four-part, eight-year plan can be found here: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

The summary is as follows:

- **Transportation** - The plan provides \$620 billion for transportation. That includes \$115 billion to improve bridges, highways, roads and \$20 billion for road safety, which will upgrade 20,000 miles of roads and highways. There's \$85 billion to modernize public transportation systems and \$80 billion for Amtrak. The plan provides \$25 billion for airports and \$17 billion for ports, inland waterways, and ferries. Also included is \$20 billion for Transportation projects for disadvantaged communities.
- **Electric Vehicles** - The transportation funding would specifically direct \$174 billion to electric vehicles, including sale rebates and tax incentives for consumers to buy American-made cars. It also would provide grants to state and local governments and the private sector for 500,000 charging stations by 2030. It includes funds to electrify school buses and federal vehicles such as Postal Service trucks.
- **Research and Development** - \$180 billion to upgrade the country's research infrastructure and labs at universities and federal agencies. The funding would also be directed toward climate-science research and addressing gender and racial inequalities in the science, math, and technology fields.
- **Manufacturing Boost** - A \$300 billion initiative to boost American manufacturing incorporates a number of bipartisan initiatives that Senate Majority Leader Schumer had planned to move in a broader China bill this spring. Biden will call on Congress to invest \$50 billion in semiconductor manufacturing and research -- as envisioned by the CHIPS Act. There's also \$50 billion for the National Science Foundation to create a technology directorate, modeled after the Endless Frontiers Act.
- In addition, President Biden is asking for \$50 billion to create a new office at the Department of Commerce dedicated to monitoring domestic industrial capacity and funding investments to support production of critical goods.
- **Workforce Development** \$100 billion for workforce-development programs, including training for those who have lost their jobs, as well as apprenticeship initiatives.
- **Electric Grid** - \$100 billion to build a more resilient electric grid. He is also proposing a 10-year extension and phase-down of an expanded, refundable investment tax credit and production tax credit for renewable energy generation and storage.
- **Labor Standards** - The plan calls for high labor standards and allowing workers on the projects to join unions and bargain collectively. The goal is to move toward 100% carbon-pollution free power by 2035. The plan also directs \$16 billion to clean up abandoned mines and gas wells.
- **Carbon Capture** - The plan would create 10 carbon-capture facilities retrofitted in large steel, cement, and chemical production facilities. It expands the bipartisan Section 45Q tax credit for carbon capture, making it refundable and easier to claim. Another \$10 billion would be spent on a Civilian Climate Corps that employs Americans in conservation work on public lands and waters.

- **Clean Water** - \$45 billion to eliminate lead pipes nationwide. It also calls for \$56 billion in grants and low-cost loans to states, tribes, territories and disadvantaged communities to improve water systems and \$10 billion to bolster rural-well and waste-water systems.
- **Broadband Internet** - \$100 billion to bring high-speed broadband internet to all Americans. The plan also includes measures to make pricing more transparent and competitive and includes short-term subsidies for low-income households.
- **Housing** - \$213 billion to build and renovate more than two million affordable homes. The plan includes tax credits to build housing for low-income families and \$40 billion for public housing.
- **Schools, Child Care** - \$100 billion to improve public school buildings, with \$50 billion in direct grants and an additional \$50 billion leveraged through bonds. The plan also calls for \$12 billion for community-college facilities and technology and \$25 billion to upgrade child-care facilities and provide incentives for employers to offer on-site childcare.
- **Elder Care, VA Hospitals** - \$400 billion for housing and care for the elderly and people with disabilities. He is also proposing \$18 billion for the modernization of Veterans Affairs hospitals and clinics.
- **Corporate Tax Hikes** - The plan would raise the corporate tax levy to 28% from 21%, increasing the rate established in President Donald Trump’s tax law. The plan would also institute a 15% minimum tax on a corporation’s profits for financial-reporting purposes. This would prevent companies from racking up tax breaks to whittle down their tax bill to nothing.
- **International Taxes.** The plan would also impose a minimum tax on the profits U.S. corporations earn overseas, increasing the rate to 21% from the roughly 13%. It also includes several measures that would penalize companies that move assets and jobs offshore and eliminates current preferences to book profits overseas.
- **Eliminate Oil, Gas Tax Breaks** - The plan would eliminate all tax preferences for the oil and gas industry and would also require companies that pollute to pay into the Superfund Trust Fund to cover the cost of fuel-related cleanup.
- **IRS Audits** - The plan calls for additional funding for the Internal Revenue Service to increase audits on corporations. The White House says it will release additional details about tax examinations on individuals in the coming weeks.
- **SALT-Cap:** Three House Democrats say they won’t support any of Biden’s tax hikes to fund his infrastructure proposal unless the plan includes a repeal of the \$10,000 cap on state and local tax deductions, making them one single vote shy of the number needed to block the president’s tax plan in the narrowly divided House. “We say ‘No SALT, no deal,’” Reps. Pascrell (D-NJ), Gottheimer (D-NJ), and Suozzi (D-NY) said.