



Policy Resolution Group Alert: Reported Build Back Better Framework

October 28, 2021

Just hours before departing for an international trip that culminates in his attendance at a pivotal UN climate conference, President Biden visited Capitol Hill this morning, presenting to House Democrats his revised framework for the Build Back Better reconciliation package, and calling on Congress to send the reconciliation bill and the bipartisan infrastructure bill to his desk. While the new framework has not yet been agreed to by Members who are seeing it for the first time, it reflects what the White House believes it can ultimately secure the votes for, even as some of the details remain in flux.

As of this moment it is unclear whether Biden's presentation will unlock the votes to pass the stalled Infrastructure Investment and Jobs Act, which progressives have pledged to oppose absent agreement to legislative text on the BBB. And Biden did not press for such a vote explicitly, instead deferring to House leaders. But the Hill visit and the decision to delay his departure in order to drop this new framework speaks to Biden's unmistakable desire to enter the COP26 meeting in Glasgow with something to show for his efforts, namely \$555 billion in climate investments, and a sense of momentum toward enactment of the BBB bill. The situation is subject to change by the hour, so we will continue to keep you updated throughout the week.

Build Back Better Framework Distributed by the White House

(PDF attached)

The Build Back Better Act will create millions of good-paying jobs, enable more Americans to join and remain in the labor force, spur long-term growth, reduce price pressures and set the United States on course to meet its clean energy ambitions.

Investments in Children, Families and Caregiving that Grow the Economy's Capacity

- Universal Preschool for all 3- and 4-year Olds: Expand access to free high-quality preschool for more than 6 million children. This is a long-term program, with funding for six years.
- Affordable High Quality Child Care: Limit child care costs for families to no more than 7% of income, for families earning up to 250% of state median income. It enables states to expand access to about 20 million children. Parents must be working, seeking work, in training or taking care of a serious health issue. This is a long-term program, with funding for six years.

- Affordable, High-Quality Care for Hundreds of Thousands of Older Americans and People with Disabilities in Their Homes and Communities: Strengthening an existing program through Medicaid and ending the existing backlog and improving working conditions for home care workers
- Expanded Child Tax Credit: Extend for one year the current expanded Child Tax Credit for more than 35 million American households, with monthly payments for households earning up to \$150,000 per year. Make refundability of the Child Tax Credit permanent.

Investments in Clean Energy and Combatting Climate Change

- Clean Energy Tax Credits (\$320 billion): Ten-year expanded tax credits for utility-scale and residential clean energy, transmission and storage, clean passenger and commercial vehicles, and clean energy manufacturing.
- Resilience Investments (\$105 billion): Investments and incentives to address extreme weather (wildfires, droughts, and hurricanes, including in forestry, wetlands, and agriculture), legacy pollution in communities, and a Civilian Climate Corps.
- Investments and Incentives for Clean Energy Technology, Manufacturing, and Supply Chains (\$110 billion): Targeted incentives to spur new domestic supply chains and technologies, like solar, batteries, and advanced materials, while boosting the competitiveness of existing industries, like steel, cement, and aluminum.
- Clean Energy procurement (\$20 billion): Provide incentives for government to be purchaser of next gen technologies, including long-duration storage, small modular reactors, and clean construction materials.

Affordable Care for Millions of Hardworking Americans

- Affordable Care Act Premium Tax Credits: Extend the expanded Affordable Care Act premium tax credits through 2025. Experts predict that more than 3 million people who would otherwise be uninsured will gain health insurance. Also make Affordable Care Act premium tax credits available through 2025 to 4 million uninsured people in uncovered states.
- Allow Medicare to cover the cost of hearing. Establish a hearing benefit in Medicare, a crucial benefit to our seniors for a reasonable cost.

Bringing Down Costs, Reducing Inflationary Pressures, and Strengthening the Middle Class

- Housing: \$150 billion investment in housing affordability and reducing price pressures, including in rural areas. Funds go towards building more than 1 million new affordable rental and single-family homes, rental and down payment assistance, and public housing.
- Education Beyond High School and Workforce Development: Reduce costs and expand access to education beyond high school by raising the maximum Pell grant, providing support to Historically Black Colleges & Universities (“HBCUs”), Minority Serving Institutions (“MSIs”), and Tribal Colleges and Universities (“TCUs”), and investing in workforce

development, including community college workforce programs, sector-based training, and apprenticeships.

- Earned Income Tax Credit for 17 Million Low-Wage Workers: Extend for one year the current expanded Earned Income Tax Credit for childless workers.
- Equity and Other Investments: Other targeted investments including maternal health, community violence initiatives, Native communities, disadvantaged farmers, nutrition, pandemic preparedness, supply chain resilience, and other areas.

Improve Our Immigration System Consistent with the Senate’s Reconciliation Rules.

Policy	\$ billion
Child Care and Preschool	400
Home Care	150
Child Tax & Earned Income Tax Credits	200
Clean Energy and Climate Investments	555
ACA Credits, Including in Uncovered States	130
Medicare Hearing	35
Housing	150
Higher Ed and Workforce	40
Equity & Other Investments	90
Total	1750
<i>Immigration</i>	<i>100</i>

Offsets: Ask Largest Corporations and Highest Income Americans to Pay Fair Share and Reduce Cost of Prescription Drugs

The plan is more than fully paid for by asking the wealthiest Americans and most profitable corporations to pay their fair share. It does not raise taxes on small business and anyone making less than \$400,000 per year. It will also generate economic growth that will increase tax revenue and contribute to deficit reduction.

Stop Profitable Corporations from Paying Zero in Tax and Stop Rewarding Corporations That Buyback Stock Rather than Invest in the Company

- 15% Corporate Minimum Tax on Large Corporations
- 1% Surcharge on Corporate Stock Buybacks

Stop Rewarding Corporations for Shipping Jobs and Profits Overseas

- Global Minimum Tax: Consistent with OECD and with appropriate effective date for 15%, Country-by-Country
- Penalty Rate for Foreign Corporations Based in Non-Compliant Countries (i.e. Base Erosion and Anti-Abuse Tax)

Ask Highest Income Americans to Pay Their Fair Share

- New Surtax on Multi-Millionaires and Billionaires
- Close Medicare Self-Employment Tax Loophole by Strengthening the Net Investment Income Tax for Those Making Over \$400,000
- Continue Limitation on Excess Business Losses

Tax Compliance

- Invest in IRS Enforcement.

Repeal of Trump Administration Rebate Rule, Which Would Have Increased Seniors’ Drug Premiums

Offsets – Estimates, Subject to Confirmation	\$ billion
15% Corporate Minimum Tax on Large Corporations	325
Stock Buybacks Tax	125
Corporate International Reform to Stop Rewarding Companies That Ship Jobs and Profits Overseas	350
AGI Surcharge on the Top 0.02%	230
Close Medicare Tax Loophole for Wealthy	250
Limit Business Losses for the Wealthy	170
IRS Investments to Close the Tax Gap	400
Prescription Drugs: Repeal Rebate Rule	145
Up to a Total of:	1995

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