

WHITE HOUSE ANNOUNCES REWORKED INFRASTRUCTURE FRAMEWORK

After months of negotiations, the White House has announced a framework for President Biden's Build Back Better agenda, a \$1.75 trillion package of social infrastructure measures paid for by tax increases. The measures are in addition to those previously approved by the Senate in the transportation-related \$1 trillion bipartisan infrastructure bill. In reaching the framework, both moderate and progressive Senate and House Democrats have been forced to compromise on certain priorities.

Spending Measures

The announced framework includes the following spending measures:

- Extension of the childcare tax credit for one year (through 2022)
- Extension of the refundable earned income tax credit and other investments in affordable housing
- Universal and free preschool for three and four-year olds and additional childcare funding
- Expanded home care for older Americans and people with disabilities
- Expanded healthcare coverage, Medicare hearing benefits and lower healthcare premiums for certain Americans
- Clean energy tax credits and certain climate change provisions
- Expanded access to affordable high-quality education beyond high school
- Provisions for immigration system reforms

Key provisions excluded from the announced framework include paid family leave and Medicare coverage for dental and vision benefits. The framework also does not include key climate change measures that would reward electricity plants that use clean energy instead of fossil fuels, nor does it include provisions that would allow Medicare to negotiate lower prices for prescription drugs.

Tax Measures

To pay for the social spending measures, the agreement includes the following tax increases:

- A 15% corporate minimum tax on companies reporting over \$1 billion in financial statement profits
- A 1% surtax on corporate stock buybacks
- A 15% country-by-country minimum tax on foreign profits of U.S. corporations, which would bring the U.S. in line with the recent global agreement announced by the OECD
- A 5% surtax on individual incomes over \$10 million, an additional 3% surtax on incomes over \$25 million and expansion of the 3.8% Net Investment Income Tax