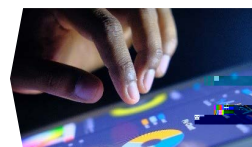
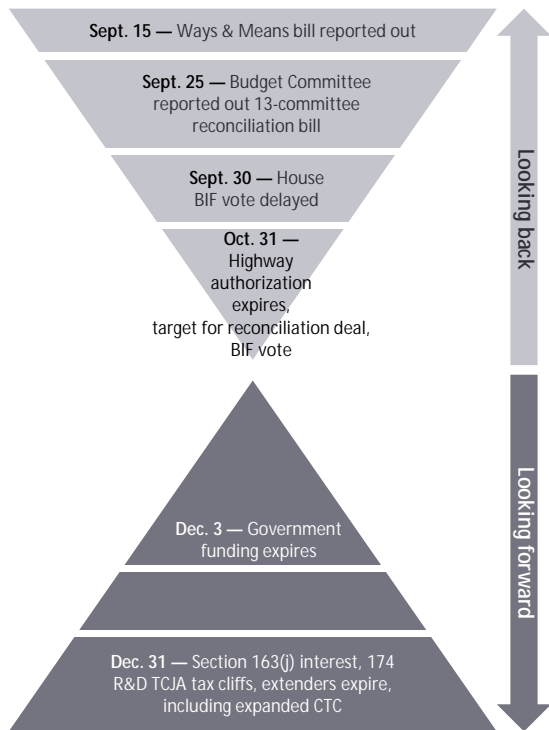




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Timeline and reconciliation bill cost



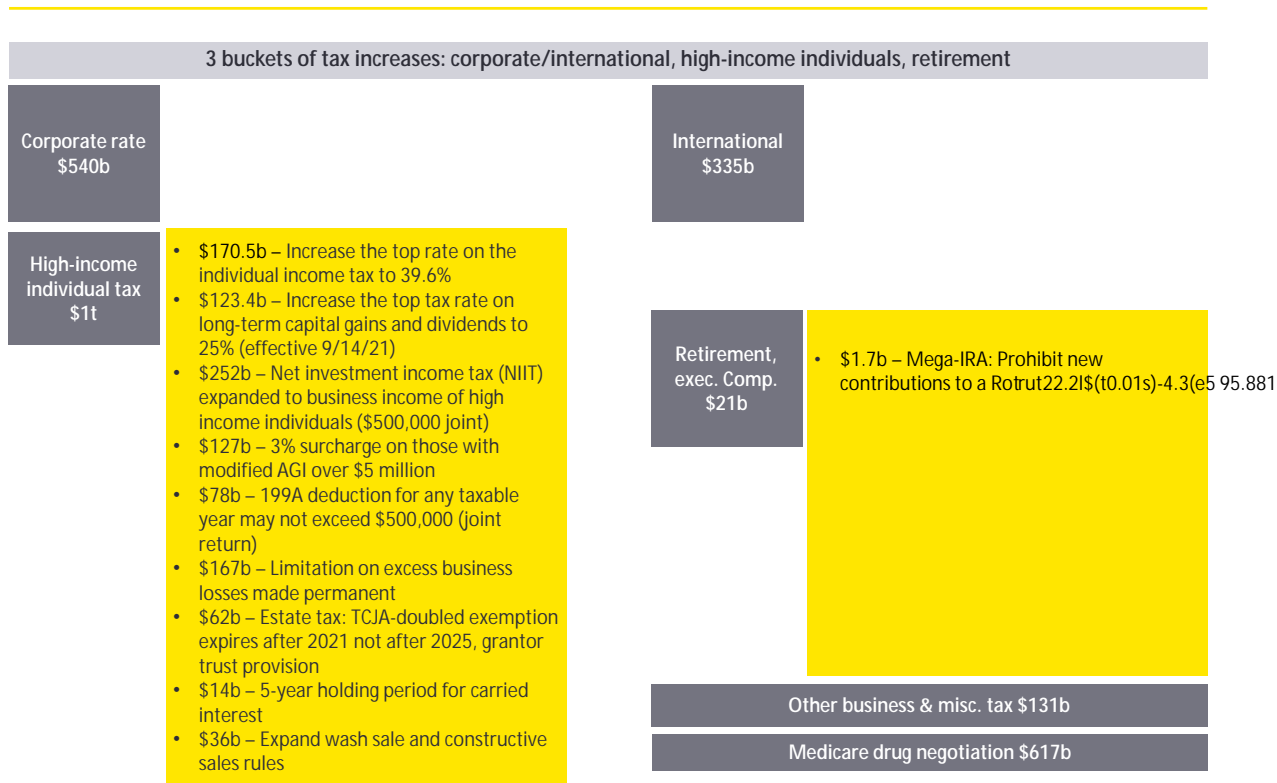
What will be cut in a reconciliation bill smaller than \$3.5t? Select provisions under House bill

Two approaches possible: narrowing scope of bill or reducing cost of provisions by limiting duration	
Social safety net \$835b <ul style="list-style-type: none"> \$556b — extend expanded CTC \$135b — extend EITC \$98.4b — extend child/dependent care credit 	Education \$645b <ul style="list-style-type: none"> \$450b — universal pre-K, lower cost of child care \$113b — free community college, increased Pell Grants \$82b — public school infrastructure
Health \$763b <ul style="list-style-type: none"> \$300b - Medicare coverage for dental, vision, and hearing \$323b - Medicaid expansion \$210b - ACA subsidy expansion \$34b - Reinsurance programs 	Caregiving \$225b <ul style="list-style-type: none"> \$190b — home-based services for seniors and disabled \$35.5b — caregiver, child care worker credits
Energy \$505b <ul style="list-style-type: none"> \$235b — green energy tax incentives \$150b — Clean Electricity Performance Program \$120b — non-tax clean energy investment \$25.6b — nat. resources protections 	Infrastructure \$131b <ul style="list-style-type: none"> \$42b — bond provisions \$26.5b — rehabilitation tax credit \$2.3b — NMTC made permanent \$60b — infrastructure spending
Paid leave \$225b+ <ul style="list-style-type: none"> \$225b-\$500b — 12 weeks paid leave 	Agriculture \$100b <ul style="list-style-type: none"> \$40b — forestry \$25.75b — research, job-promoting investments \$35b — prevent child hunger
Housing — \$370b <ul style="list-style-type: none"> \$90b — rental assistance \$80b — public housing \$80b — housing supply investments \$10b — first-time homebuyer assistance \$47b — tax-related housing assistance 	Retirement \$47b <ul style="list-style-type: none"> \$23b — saver's credit \$22.7b — auto-enrollment \$1b — small business startup plans
	SALT cap relief? <ul style="list-style-type: none"> ? — previous two-year repeal proposal \$185b

EITC = earned income tax credit, ACA = Affordable Care Act, SALT = state and local tax

Estimates from committee materials, press reports

Select revenue provisions under House bill



Estimates from JCT JCX-42-21

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What to expect in Washington



Biden, Senate Finance, Ways & Means tax proposals

Corporate, international tax

	Biden budget	Sen. Wyden proposals, including international bill	House Ways & Means Committee bill
Corp. rate	28%	Unspecified	26.5% (taxable income in excess of \$5m)
GILTI rate	21%	Unspecified	16.5625%
GILTI calculation	Country by country (CbC)	CbC, dividing global income into low-tax and high-tax, GILTI only on low-tax income	CbC (e.g., net CFC tested income, QBAI); applies to other FTC baskets
GILTI QBAI	QBAI eliminated	QBAI eliminated	5% (except for US possessions)
GILTI FTC haircut	Unspecified	Unspecified	Reduced to 5%
FDII F-			

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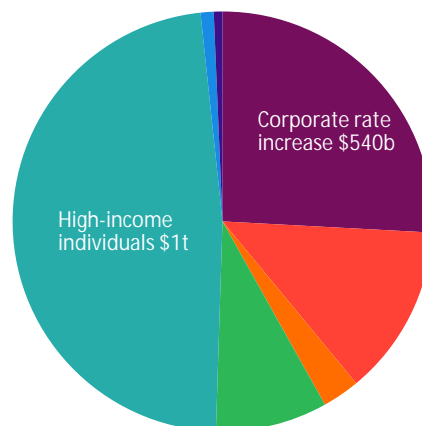
What to expect in Washington



Biden, Senate Finance, Ways & Means tax proposals

Individual

	Biden budget	Sen. Wyden proposals, including international bill	House Ways & Means committee bill
Top individual rate	39.6%	Unspecified	39.6%
High-tax surcharge	No proposal	No proposal	3% on those with modified AGI over \$5 million
Capital gains	Ordinary income taxation for those with AGI >\$1m	Taxed at same rates as wage income, mark-to-market annual tax	Top rate of 25%
199A	No proposal	Phased out between \$400,000-\$500,000 of income	Maximum allowable deduction \$500,000 (joint), \$400,000 for an individual
Carried interest	Taxed as ordinary income	End re-characterization as investment income and deferral of tax payments	TCA three-



Wealth tax

Spain - .2%-2.5%

Norway - .7% municipality, 1.5% national

Belgium - .15% on average value of securities holdings

Switzerland – varies

OECD #s leave out 2 countries:

Italy - applies on

Select energy tax credit extensions under Ways & Means Build Back Better Act (BBBA)

Provision	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
45(d) electricity from renewable resources production tax credit (PTC)	■	Plus, increased credit for facilities that meet domestic requirements										■ 80%	■ 60%
48 energy investment tax credit (ITC)	■	■	■	Newly eligible: energy storage, dynamic glass, etc.								■ 80%	■ 60%
New 48D credit for transmission property	■	Increased if prevailing wage, apprenticeship requirements met										■	■
New 48E zero emissions facility credit	■	■	■	■	■	■	■	■	■	■	■	■	■
45Q carbon oxide sequestration credit	■	■	■	■	■	■	■	■	■	■	■	■	■
New 45W zero-emission nuclear power production credit	■	■	■	■	■	■	■	■	■	■	■	■	■
Excise tax credits: biodiesel, agri-biodiesel, alternative fuels and mixtures	■	■	■	■	■	■	■	■	■	■	■	■	■
New sustainable aviation fuel credit	■	■	■	■	■	■	■	■	■	■	■	■	■
New 45X clean hydrogen production tax credit	■	■	■	■	■	■	■	■	■	■	■	■	■
25C nonbusiness energy property credit	■	■	■	■	■	■	■	■	■	■	■	■	■
25D residential energy-efficient property	■	■	■	■	■	■	■	■	■	■	■	■ 26%	■ 22%
45L energy-efficient new-home credit	■	■	■	■	■	■	■	■	■	■	■	■	■
Alternative fuel refueling property credit	■	■	■	■	■	■	■	■	■	■	■	■	■
48(c) advanced energy property credit	■	■	■	■	■	■	■	■	■	■	■	■	■

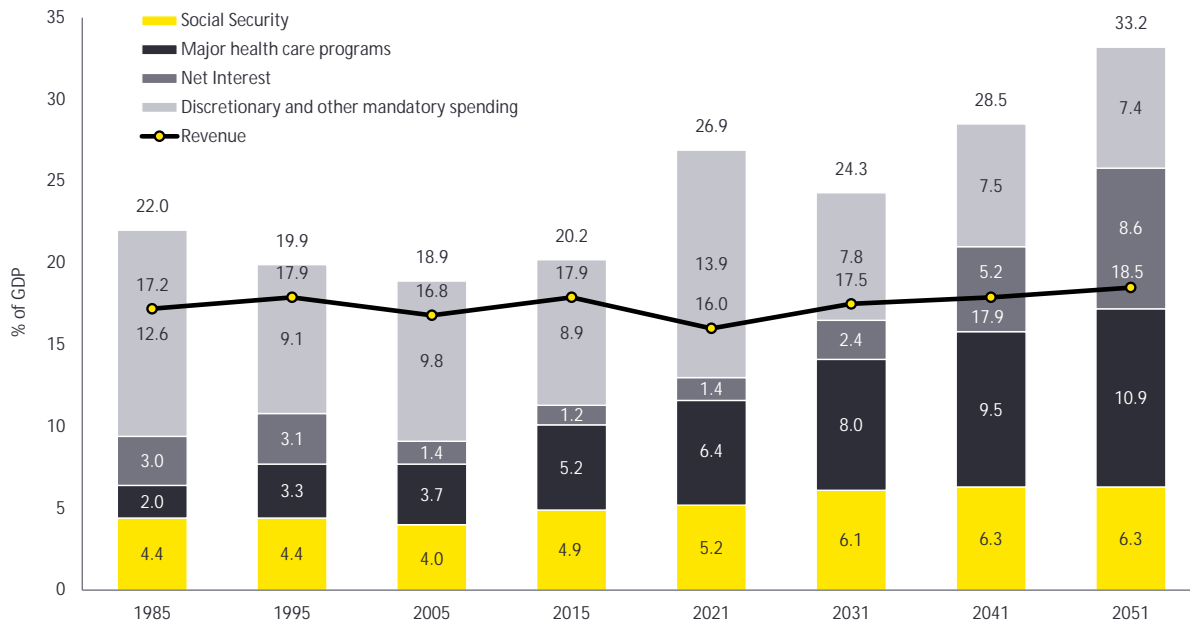
In effect under current law
 Proposed under BBBA
 Not in effect



Other highlights under Ways & Means BBBA energy, infrastructure titles



Federal spending compared to revenue level, extended baseline (current law)



Note: Excludes COVID-19 relief enacted in March 2021.

Sources: Congressional Budget Office (CBO) Historical Budget Data, February 2021; CBO, The 2020 Long-Term Budget Outlook, March 2021; CBO, An Update to the Budget Outlook: 2021 to 2031, July 2021.



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