

March 31, 2021

President Biden Releases \$2 Trillion Infrastructure Plan

Today, President Biden unveiled his 8 year, roughly \$2 trillion infrastructure plan, also known as the "American Jobs Plan". The plan aims to modernize and fix roads and bridges, expand broadband access, shift to greener energy and heavily invest in electric vehicles.

In a speech today in Pittsburgh, Biden said the plan was "a once-in-a-generation investment in America". The American Job Plan is the first of a two-part economic plan. A second plan, which plans to be released in mid-April called the "American Family Plan", will focus on childcare, healthcare and education.

Biden plans for the \$2 trillion infrastructure plan to be paid for over 15 years by implementing his "Made in America Tax Plan". The tax plan calls for, amongst other provisions, a raise in the corporate tax rate from 21% to 28%. ***Scroll to bottom to see breakdown of tax plan.***

The American Jobs Plan includes:

\$621 billion for Transportation Infrastructure and Resilience

- \$115 billion to modernize the bridges, highways, roads, and main streets. This includes funding aimed to improve air quality, limit greenhouse gas emissions, and reduce congestion
- \$174 billion for electric vehicle market
- Give consumers point of sale rebates and tax incentives to buy American-made EVs
- Replace 50,000 diesel transit vehicles and electrify at least 20 percent of our yellow school bus fleet through a new Clean Buses for Kids Program at the Environmental Protection Agency, with support from the Department of Energy

Related Practices

Administration Transition Resources
Government Relations, Political Law &
Public Policy
Michael Best Strategies LLC

- Electrify the federal fleet, including the United States Postal Service. Also produce hydrogen running vehicles
- Establish grant and incentive programs for state and local governments and the private sector to build a national network of 500,000 EV chargers by 2030
- \$85 billion to modernize existing public transportation
- \$17 billion in inland waterways, coastal ports, land ports of entry, and ferries, which are all essential to our nation's freight
- \$50 billion to improve infrastructure resilience

\$180 Billion for 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

\$300 Billion for Manufacturing Boost

- \$50 billion in semiconductor manufacturing and research, as envisioned by the CHIPS Act
- \$50 billion for the National Science Foundation to create a technology directorate, modeled after the Endless Frontiers Act
- \$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

\$100 Billion for Workforce Development

- \$100 billion for workforce-development programs, including training for those who have lost their jobs, as well as apprenticeship initiatives

\$111 Billion to Improve Drinking Water Infrastructure

- \$10 billion to monitor and remediate PFAS in drinking water and to invest in rural small water systems and household well and wastewater systems

\$100 Billion to Expand High-Speed Broadband

- Prioritize building "future proof" broadband infrastructure in unserved and underserved areas so that we finally reach 100% high-speed broadband coverage
- Support broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives— with a commitment to serving entire communities
- Promote price transparency and competition among internet providers, by lifting barriers that prevent municipally owned or affiliated providers and rural electric co-ops from competing on an

even playing field with private providers, and requiring internet providers to clearly disclose the prices they charge

\$100 Billion for Electrical Grid

- Plan to move towards 100% carbon-pollution free power by 2035
- Propose a ten-year extension and phase down of an expanded direct-pay investment tax credit and production tax credit for clean energy generation and storage
- Establish an Energy Efficiency and Clean Electricity Standard (EECES) aimed at cutting electricity bills and electricity pollution, increasing competition in the market, incentivizing more efficient use of existing infrastructure, and continuing to leverage the carbon pollution-free energy provided by existing sources like nuclear and hydropower
- \$16 billion to plug orphan oil and gas wells and cleaning up abandoned mines

\$213 Billion for Affordable and Sustainable Housing

- \$40 billion to improve public housing system

Carbon Capture

- Create 10 carbon-capture facilities retrofitted in large steel, cement and chemical production facilities
- Expand the bipartisan Section 45Q tax credit for carbon capture, making it refundable and easier to claim
- \$10 billion would be spent on a Civilian Climate Corps that employs Americans in conservation work on public lands and waters

Made in America Tax Plan

- Increase the corporate tax rate from 21% to 28%
- Increase the global minimum tax from roughly 13% to 21%
- Eliminate the rule that allows U.S. companies to pay zero taxes on the first 10% of return when they locate investments in foreign countries
- Institute a 15% minimum tax on a corporation's profits for financial-reporting purposes
- Deny companies expense deductions for offshoring jobs
- Provide tax credits to support onshoring jobs
- Eliminate all tax preferences for the oil and gas industry

- Require companies that pollute to pay into the Superfund Trust Fund to cover the cost of fuel-related cleanup
- Increase funding to IRS to increase audits on corporations

Next Steps

Earlier today, it was reported that Speaker of the House Nancy Pelosi is aiming to have the House pass an infrastructure bill by July 4. Biden has also expressed that he hopes to have it passed by the summer.

It is not known if Democrats in Congress will look to pass this plan with Republican support or try to pass the bill through budget reconciliation, like they did for the COVID relief bill. Senate Minority Leader Mitch McConnell has already announced that he is “not likely” to support the proposal because of the tax increases.

Biden said in his speech that he is open to working with Republicans on infrastructure plan. Biden expressed that he is open to listening to new ideas on how to pay for the robust plan. “Let me be clear, these are my ideas on how to pay for this plan. If others have additional ideas, let ‘em come forward. I’m open to other ideas so long as they do not impose any tax increase on people making less than \$400,000 dollars,” Biden said after laying out his proposed changes to the corporate tax code. Biden said in his speech that he will invite Republican to the Oval Office to talk about the proposal.

Related People

Denise Bode

dabode@michaelbeststrategies.com

T 202.844.3804

Tami Buckner

Partner

tjbuckner@michaelbeststrategies.com

T 202.844.3821

Anne Canfield

Partner

accanfield@michaelbeststrategies.com

T 202.747.9570

Sarah Helton

Partner

schelton@michaelbeststrategies.com

T 202.747.9575