

Tax Policy Trends

What Democratic Control of Washington Could Bring in 2021

Brownstein Hyatt Farber Schreck
National Tax Policy Group

Plan for the Possibilities

The following slides outline legislative priorities in the event that Democrats control both the legislative and executive branch post-Election Day. It begins with the event Democrats take control of the House, Senate and the White House, outlining tax aspects of various issue areas. It follows with the dynamics of potential Budget Reconciliation legislation. Future versions will address the inverse possibility: a unified Republican government, as well as a policy analysis under the scenario of a divided government.

Brownstein's Government Relations practice and Tax Policy Group are assisting companies preparing for these events. Our bipartisan team is assessing the potential opportunities and risks associated with expected legislative movement and working alongside clients to develop their 2021 strategies. For any company game-planning their approach to Washington, these policies should be considered.

Regardless of the election's outcome, expect an incoming government raring to govern. Preparation for any eventuality is key.

Scenario: A Democratic Sweep

- If Joe Biden defeats Donald Trump, Democrats retain control of the House of Representatives and take control of the Senate, then tax policy will be a significant part of most legislative initiatives as Democrats exert control over the legislative and executive branches.
 - Note: If the presidential race is close, the outcome may not be known until well after Nov. 3.
 - Senate control may not be known until January 2021 as one or both Georgia Senate seats could result in a runoff.



Democratic Tax-Related Agenda and Policy Priorities



COVID-19 and Rebuilding the Economy. In the short-term, unless the economy is rapidly expanding in January 2021, Democrats will likely take emergency actions to pass a COVID-19 stimulus bill. In the long-term, they will enact policies that incentivize small business expansion, reshoring and job creation.



Health Care. Democrats will push more aggressive federal engagement in combatting the virus, including measures like those the Senate ultimately did not pass during the 2020 COVID-19 stimulus debate. Later, Democrats will tackle health care access and affordability.



Corporate Taxation. Democrats will likely consider increases to the corporate tax rate, other TCJA reversals, and penalties for offshore operations as a potential way to pay for spending initiatives and later to reduce the deficit.



Individual Taxation. Democrats will reduce income inequality through the tax code, helping working-class families while raising taxes on wealthier Americans.



Infrastructure. Democrats could couple surface transportation legislation with an extension of transportation excise taxes, tax-favored bond financing and energy tax legislation. Congress historically has used infrastructure legislation to spur the economy.



Energy/Environment. Many Democrats will advocate for addressing climate change in 2021. Tax policies such as a carbon tax will be part of this debate.



Budget Solvency and Income Inequality. In 2021, lawmakers will decide to reduce the budget deficit. If Democrats control, many will advocate for policies that reduce income inequality and the deficit simultaneously.



Rebuilding the Economy—Short-Term Emergency COVID-19 Bill

- In the short-term, a President Biden would likely focus on an emergency COVID-19 economic stimulus package to spur economic growth and improve the public health situation.
 - A stimulus package prior to the November election is highly unlikely and, barring a major winter resurgence of the virus coupled with a spike in business closures and unemployment, a lame duck stimulus bill is also an uphill climb.
- The size and scope of a package will depend on the public health and economic outlook. If unemployment rates continue to fall and infection rates do not worsen during the winter, a smaller, more targeted package is likely.
 - A public health plan to address the pandemic, including a national mask mandate
 - **Assistance for all businesses, including tax incentives**
 - Targeted grants and loans for small businesses
 - Bolstered unemployment benefits
 - **Help for individuals and families, including tax incentives**





Rebuilding the Economy—Short-Term Emergency COVID-19 Bill

Employee Retention



- Build and improve work-share programs.
- **Tax credits, such as an expansion of the Employee Retention Tax Credit, for businesses who commit to helping workers stay employed through the crisis.**

Other Assistance



- **Cleaning tax credit to help businesses implement new health and safety protocols.**
- **Hiring tax credit such as an expansion of the Work Opportunity Tax Credit to include workers who were receiving unemployment assistance.**
- **Fixed expense credit to help businesses cover rent, mortgage and utility payments.**

Addressing Unemployment



- Robust unemployment benefits that are efficiently delivered to those who lose jobs due to the pandemic.
- Put people to work by enlisting them to help fight the pandemic, including through a Public Health Jobs Corps.

Safety Nets



- **Additional \$1,200 relief checks for individuals and families, if bad economic conditions persist.**
- Adding \$200 a month to Social Security checks.
- Forgiveness of at least \$10,000 per person of student loan debt.
- Paid emergency sick leave for anyone in need, without limiting the size of the company or differentiating between contractors, self-employed individuals, and traditional employees.



Rebuilding the Economy—Long-Term

Health Care



Address access, affordability and comprehensive coverage.

Corporate Tax



Ensure corporate America pays its fair share.

Discourage offshoring.

Mobilize American manufacturing and innovation—Made in America/Buy American.

Individual Policies



Promote tax policies that help address income and racial inequality.

Raise the minimum wage.

Create better safety net programs, including building a caregiving and education workforce.

Green Energy



Invest in a sustainable, clean energy future.

Infrastructure



Build a modern infrastructure while creating good-paying union jobs.



Biden Health Care Proposals: Face COVID-19

Expand Access to COVID-19 Care

- Ensure no cost-sharing in any public health programs for COVID-19 treatments and vaccines.
- Expand authority of the National Disaster Medical System to reimburse providers for treatment costs related to COVID-19 that are not covered by insurance.

Assist State and Local Governments

- Increase Federal Medical Assistance Percentage (FMAP) by at least 10% for all states and provide matching federal dollars for states to maximize Medicaid enrollment.
- Create an emergency fund for state and local governments to provide resources for health and economic needs.

Promote Prevention

- Increase funding for the CDC, state health departments and testing.
- Restore the White House National Security Council Directorate for Global Health Security and Biodefense.
- Amend the Public Health Service Act to cover all testing, treatment, preventative services and vaccines necessary to address a public health emergency for an infectious disease.
- Give the Secretary of Health and Human Services authority to approve the price of vaccines developed with taxpayer dollars.



Health Care: Build on the ACA

- Biden continues to resist calls from the party's left activist wing to adopt a single-payer policy as part of his platform.
- Instead, Biden's current health care plan focuses on the following:
 - **Access.** A public health insurance option like Medicare for those who are dissatisfied with their employer or exchange plan.
 - **Affordability.** Increasing the value of **tax credits** to lower premiums and extend coverage to more working Americans.
 - **Coverage.** Expanding coverage for low-income Americans, especially for those in states that did not adopt Medicaid expansion. Biden plans to automatically enroll these individuals when they interact with public schools or food assistance programs.





Biden Health Care Proposals



Access to Care

- Provide a public insurance option that would compete with private insurance and negotiate prices with hospitals and providers.
 - This public option would also be available to those who have access to employer-sponsored plans.
 - Allow importation of prescription drugs from other countries as long as the drug is considered safe by Department of Health and Human Services.
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Affordability

- **Eliminate income cap for premium tax credits with premiums capped at 8.5% of income.**
 - Lower Medicare eligibility age to 60.
 - Allow the government to negotiate drug prices directly with manufacturers.
 - Limit drug price increases to the rate of inflation.
 - **Tax drug makers whose drug prices increase above rates of inflation.**
 - Use external reference pricing/average OECD price to recommend prices for drugs that face no competition.
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Coverage

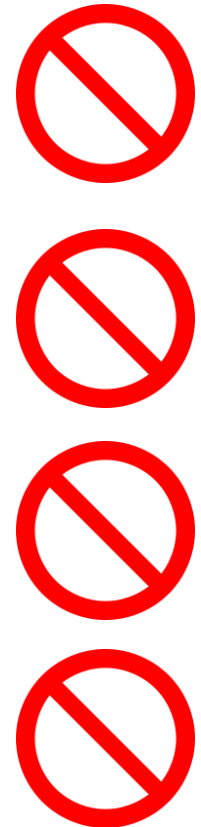
- Offer premium-free access to 4.9 million Americans living in states that did not expand Medicaid.
- Enroll low-income individuals and families at touch points (e.g., at the time of public school enrollment, while applying for benefits such as TANF and SNAP, and at community health centers).
- **Expand ACA coverage to DACA recipients, including tax credits.**



ACA Taxes

Will any of the taxes that previously funded the ACA be resurrected to pay for health care reform? No.

- **Cadillac Tax.** A 40% excise tax on employer plans that exceeded a certain level of premiums, designed to disincentivize expensive employer plan coverage.
Revenue loss was \$197 billion over 10 years.
- **Health Insurance Tax.** Applied to all insurers who offered fully insured plans through the ACA exchanges, the group market and Medicare and Medicaid.
Revenue loss was \$151 billion over 10 years.
- **Medical Device Tax.** A 2.3% excise tax on medical devices.
Revenue loss was \$25 billion over 10 years.
- **Individual Mandate Penalty.** Phased in from 2014–2016, it imposed a 2.5% penalty on income above a filing threshold. Repealed in TCJA.
Revenue loss was \$38 billion over 10 years.

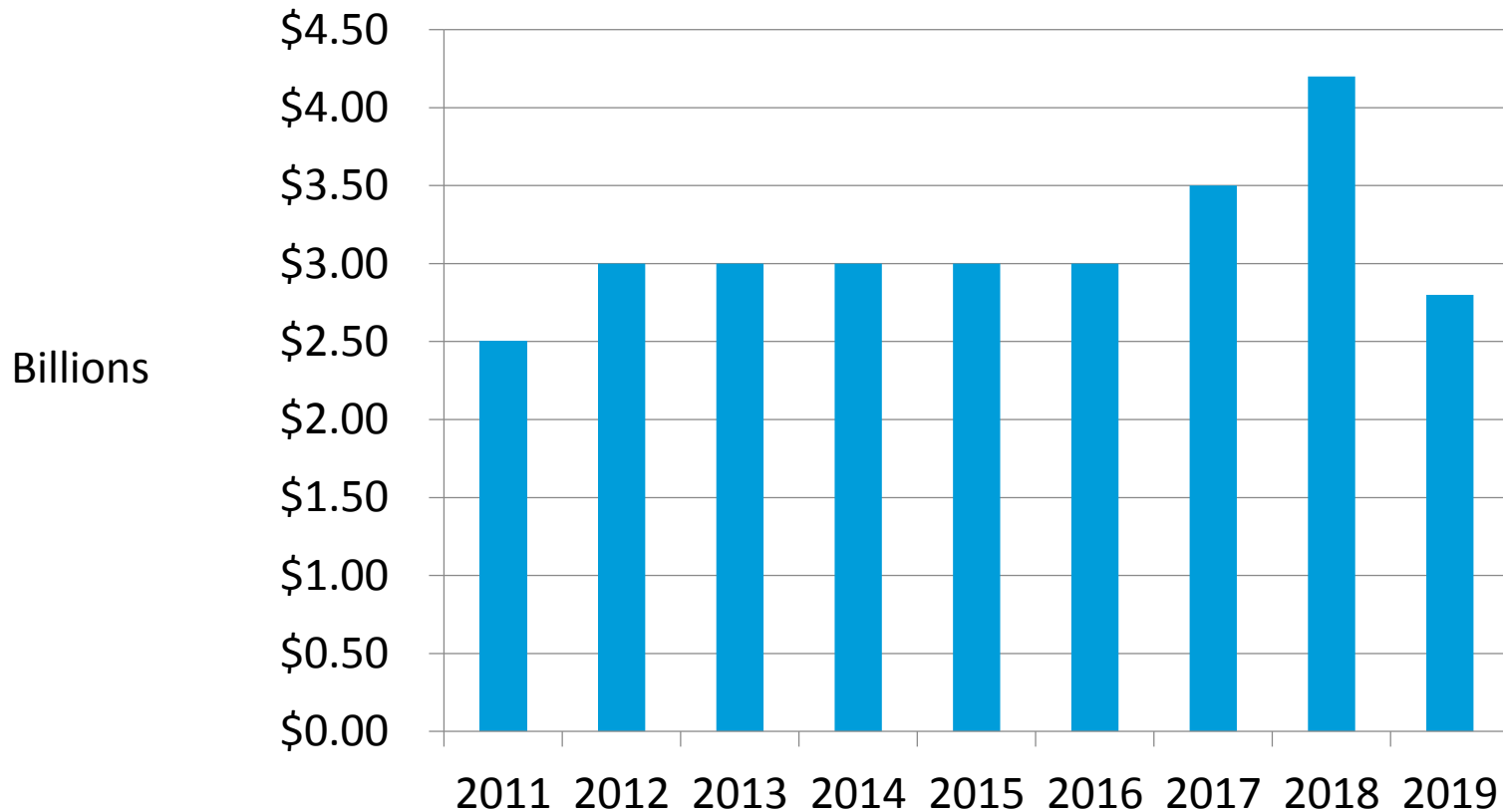




ACA Tax on Manufacturers

Relevant ACA taxes that are currently imposed:

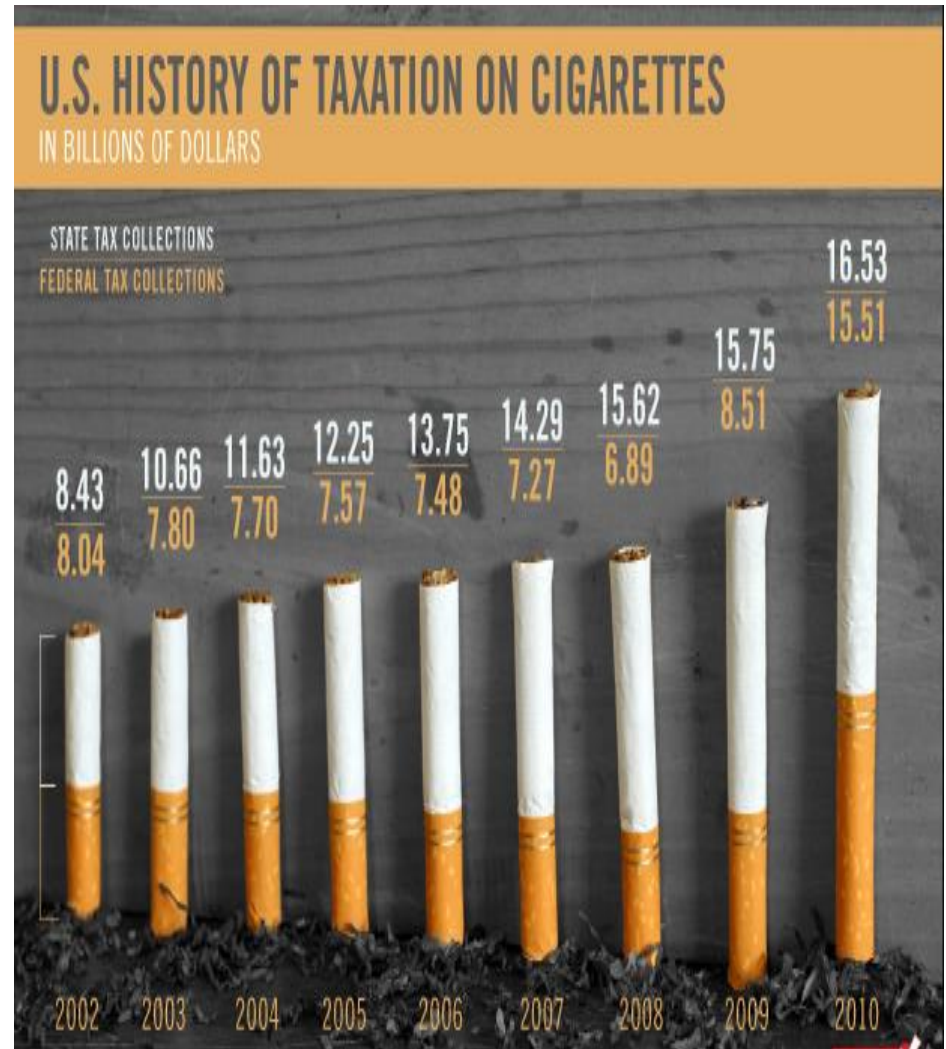
ACA annual tax on manufacturers and importers of branded drugs. It has raised the following amount annually:





ACA Taxes


- Relevant ACA taxes that are currently imposed (cont.):
 - Employer Mandate penalty – for failing to provide adequate quality health insurance to full-time employees. Penalty is \$2,500/FTE annually. Not being enforced by the Trump administration, although not repealed.
- Will Congress look to new taxes?
 - Potential taxes on tobacco, nicotine and cannabis.





Corporate Tax Proposals

Making Sure Corporations Pay Income Taxes

- Raise corporate rate from 21% to 28%. 
- Implement a 15% minimum book profits tax on firms with \$100 million or more in net income.
 - Some firms may report profits but may pay no federal income tax because taxable income is calculated differently than book income.
 - The tax would essentially reinstate a corporate alternative minimum tax that is based on book income rather than a modified tax base.
 - NOLs and foreign tax credits would continue to be allowed.





Corporate Tax Proposals

Discouraging Moving Operations Abroad

- Apply a 10% offshoring penalty surtax on services and sales to U.S. customers from a U.S. company's foreign subsidiary. Assuming a corporate tax rate of 28%, this could amount to a 30.8% tax rate on such profits.
 - Example: The tax would apply to call centers located abroad that service U.S. customers.
 - Query: Will territories remain foreign for U.S. tax purposes?
- Implement strong rules against corporate inversions (when U.S. companies move their headquarters to other jurisdictions for tax purposes).
- Impose restructuring taxes on businesses who move U.S. headquarters offshore.
- Establish a “claw-back” provision to force a company to return public investments and deny all deductions and expensing write-offs for companies that move jobs overseas, if those jobs could have been offered to Americans.





Corporate Tax Proposals

Maintaining Jobs in the U.S.

- The “Made in America” tax policy would establish a 10% tax credit for companies making investments creating jobs for American workers and accelerating economic recovery.
- The credit would be available for:
 - Revitalizing existing closed or closing facilities;
 - Retooling any facility to advance manufacturing competitiveness and employment; and
 - Expanding or broadening U.S. facilities to grow employment in the U.S.
- It will also apply when a company is increasing manufacturing wages above the pre-COVID-19 baseline for jobs paying up to \$100,000.
- The Biden campaign specifically mentions tax code changes that will encourage production in the U.S.
 - **Query:** Will territories remain foreign for U.S. tax purposes?





Corporate Tax Proposals

Reshoring Jobs to the U.S.

- Double the tax rate on Global Intangible Low Tax Income (GILTI) earned by foreign subsidiaries of U.S. firms, from 10.5% to 21%.
- Made in America tax credit, cited on previous slide, would apply to reshoring investments as well.
- Made in America government purchase policy, although not a tax, will encourage companies relying on the federal government as a customer to maximize domestic operations in order to qualify under procurement rules.





Other TCJA Business Proposals


Democrats have not settled on positions regarding TCJA provisions that will expire or change during the next president's term. These include:

- Sunset of expensing provision. Support for expensing is sliding among Democrats.
- Change in interest expense limitation from EBITDA to EBIT. Most Democrats will likely oppose extension of EBITDA.
- Termination of the research and experimentation deduction provision; the most likely of these three to be extended.





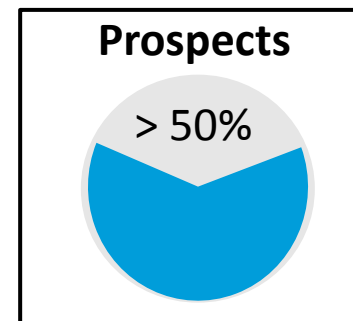
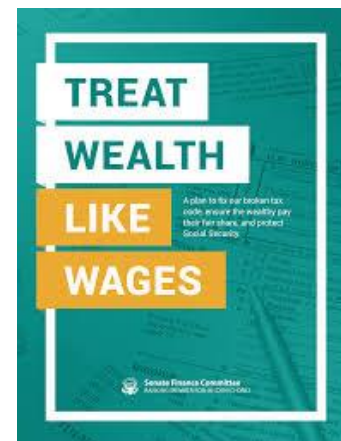
Individual Proposals—Addressing Income Inequality

Biden Proposals	Obama Proposals 
Top Rate. Restore the top rate for individuals to its pre-TCJA level of 39.6% from 37%.	Same
Itemized Deductions. Cap the value of itemized deductions at 28% and restoring the Pease limitation on itemized deductions for those with taxable income above \$400,000.	Similar proposal
Sec. 199A. Phase-out the Sec. 199A deduction enacted by the TCJA for those earning over \$400,000.	Not applicable
Capital Gains. Tax long-term capital gains (LTCG) and qualified dividends at ordinary income rates on income above \$1 million and eliminate the step-up in basis for capital gains.	Raise the LTCG and dividends tax to 28% on couples with incomes over \$500,000.
Target Like-kind Exchanges. Eliminate tax-free like-kind exchanges for investors with incomes above \$400,000 in order to finance child and elderly care. Taxpayers with incomes above this would not be able to defer capital gains on the sale of real property held for investment.	Limit the amount of capital gains deferred to \$1 million per taxpayer per year.
Payroll Taxes. Impose the 12.4% Social Security payroll tax on wage and self-employment income earned above \$400,000 (i.e., individuals would be taxed on wages up to \$137,700 and on wages over \$400,000).	Impose an additional payroll tax on earnings over \$250,000.



Individual Proposals—Addressing Income Inequality

- **Other Democratic Proposals.** Senate Finance Committee Ranking Member Ron Wyden’s (D-OR) “Tax Wealth Like Wages” white paper will provide the framework for a package of tax increases to promote income equality.
 - Imposes an annual tax on unrealized capital gains for individuals with at least \$1 million in annual income or \$10 million in assets.
 - Equalizes the tax rates for ordinary income and capital.
 - Taxes non-tradable assets at ordinary rates on appreciation back to the date of acquisition upon disposition.
 - Wyden has not indicated whether life insurance should be exempted from the mark-to-market regime.
 - Wyden is expected to release legislation in early 2021.

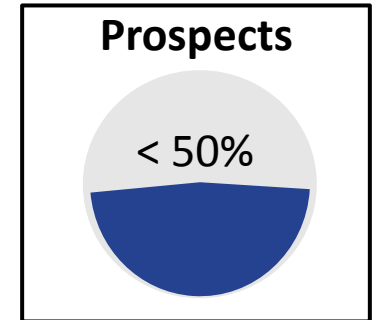




Individual Proposals—Addressing Income Inequality

Other Democratic Policy Proposals (continued)

- **Financial Transaction Tax (“Robinhood Tax”).** In 2019, Democrats in both chambers, including Sens. Elizabeth Warren (D-MA) and Bernie Sanders (I-VT), introduced legislation to impose a 0.1% tax on stock, bond and derivative trades.
 - Sen. Kamala Harris (D-CA) has proposed the following financial transaction taxes: 0.2% on stocks, 0.1% on bonds and 0.002% on derivatives.
 - Some proposals exempt initial issuances, trading debt instruments with fixed maturities of 100 days or less, and currency transactions from the tax.
 - The Obama administration proposed an excise tax on financial transactions as low as 0.005% for derivative financial instruments, and as high as 0.5% for ownership interests in corporations and partnerships.
- **The Buffett Rule.** The Buffett Rule would impose a 30% minimum tax on annual income above \$1 million.
 - Sen. Sheldon Whitehouse (D-RI), a member of the Senate Finance Committee, said in 2019 the Buffett Rule should serve as a guiding light for Democrats.
 - Obama proposed the same minimum tax called the Fair Share Tax that would be fully phased in at \$2 million.



Prospects

Depends on what other individual taxes are enacted

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Wage Proposals

In addition to raising taxes to redistribute wealth and lessen the income inequality gap, Democrats support higher wages for low-income individuals.



What it would do: Biden endorsed a \$15 per hour federal minimum wage and an elimination of the lower tipped minimum.

A Closer Look

- Raise the federal minimum wage to \$15 per hour for all workers, including farmworkers, domestic workers, tipped workers and workers with disabilities.
- Index the minimum wage to the median hourly wage so low-wage workers' wages keep up with those of middle-income workers.
- Widely and strictly enforce prevailing wage protections.
- Provide more overtime pay to workers by reviving DOL's Obama-era overtime rule.
- Only award government contracts to employers who support their workers, including those who pay a \$15 per hour minimum wage and family sustaining benefits.
- Eliminate all non-compete agreements, except the few that are necessary to protect a narrowly defined category of trade secrets, and outright ban all no-poaching agreements.





Other Individual Tax Proposals

Biden has proposed individual tax cuts to help working-class families:


Housing

- A renter's credit to reduce rent and utilities to 30% of income.
- A First Down Payment Tax Credit of up to \$15,000.

Family Care

- A \$5,000 tax credit for informal caregivers.
- A tax credit for child care facilities build by businesses.
- Expand the Child and Dependent Care Tax Credit, making it fully refundable and advanceable. 
- \$8,000 tax credit for certain families to help offset child care costs. 

Retirement

- A 26% tax credit to match traditional retirement contributions as a replacement for deductibility of those contributions.
- An expanded Earned Income Tax Credit for those older than 65. 





Infrastructure

In July 2020, Biden released a comprehensive and wide-ranging infrastructure plan that includes investments in traditional infrastructure projects, grid modernization and broadband expansion as well as a series of goals to reduce pollution and address environmental justice issues, among other items.

Highlights from Biden's \$2 Trillion Infrastructure Plan

Traditional Infrastructure Proposals

- Update roads, bridges and electric grids;
- Expand access to broadband;
- Upgrade 4 million buildings and weatherize 2 million homes over four years by providing homeowners with direct cash rebates and low-cost financing; and
- Create union jobs in the construction industry.

Cleaner, Greener Infrastructure

- Provide cities with high-quality, zero-emissions public transportation options, such as light rail networks;
- Achieve a carbon pollution-free power sector by 2035;
- Enable the creation of 1.5 million sustainable homes and housing units;
- Create 1 million jobs in the auto industry and increase the demand for American-made, American-sourced clean vehicles;
- Provide consumers with rebates for trading in old, less-efficient vehicles for newer America-made vehicles;
- Construct 500,000 electric vehicle charging stations;
- Require all new American-built buses be zero-emissions by 2030; and
- Establish new fuel economy standards to reduce pollution.



Infrastructure

- In addition to Biden's infrastructure proposal, on July 1, the House passed the Democrats' Moving Forward Act (H.R.2), a \$1.5 trillion comprehensive infrastructure package that includes investments in schools, housing, broadband, green energy and child care.
 - Financing mechanisms include reinstating Build America Bonds and Advance Refunding Bonds, and expanding the issuance of Private Activity Bonds.
 - Expands the Historic Rehabilitation Credit by increasing the percentage of expenses that qualify and by making it easier for tax-exempt entities to access the credit.
 - Expands the Low-Income Housing Tax Credit (LIHTC) by creating targeted housing incentives to build homes in rural and tribal communities and for very low-income households at risk of homelessness.
 - To fund the Highway Trust Fund, the bill would extend certain highway-related taxes, including:
 - Taxes on diesel fuel and special motor fuels and certain alcohol fuels;
 - Retail sales taxes on certain truck and semitrailer chassis and bodies;
 - Taxes on the use of certain heavy vehicles; and
 - Taxes on tires and taxable fuel.



Environment/Energy



Biden has a plan to achieve a 100% clean energy economy and net-zero emissions by 2050 through Executive Orders and legislation.

- This includes caps on existing gas and oil operations, investments in green technology, new infrastructure and more.



Biden has also made the following commitments:

- Recommit to the Paris Climate Agreement, Green Climate Fund and embrace Kigali amendment to the Montreal Protocol;
- Stop China from subsidizing coal exports and outsourcing carbon pollution;
- Prohibit Ex-Im Bank and U.S. International Development Finance Corporation (USIDFC) from financing coal-fired plants;
- End federal subsidies for fossil fuel companies;
- Invest in coal communities as they transition to clean energy, and secure earned benefits for coal miners; and
- Although not a formal pillar of Biden's environmental plan, Biden is in favor of eliminating single-use plastic straws in the food service industry and phasing out other single-use plastics.



Environment/Energy



Ways and Means Committee Chair Richard Neal (D-MA) has championed his Growing Renewable Energy and Efficiency Now (GREEN) Act:

- **Corporate.**
 - Extend the **investment tax credit**, which allows taxpayers to claim up to 30% of the cost of energy property;
 - Extend the credit for **carbon oxide sequestration facilities** that begin construction before 2026; and
 - Expand **qualified income for publicly traded partnerships** to include income derived from green and renewable energy.

- **Workforce.**
 - Extend the **advanced energy project credit**, allowing an additional \$2.5 billion in credits annually through 2025;
 - Provide a credit for up to 10% of the labor costs of installing **mechanical insulation property**; and
 - Establish tax credit for renewable energy projects that require **high-road labor practices** and **pay prevailing wages**.

- **Individuals.**
 - Extend the 30% **residential energy efficient property credit**—which applies to solar electric, solar water heating and fuel cell;
 - Expand the **new energy efficient homes credit** from \$2,000 to \$2,500; and
 - Increase the **nonbusiness energy property credit** lifetime cap from \$500 to \$1,200 and the percentage for installing energy improvements from 10% to 15% of the cost.



Budget Solvency

- According to the CBO, if current laws do not change, the federal deficit will be roughly \$3.7 trillion in fiscal year 2020 and \$2.1 trillion in fiscal year 2021.
- Democratic policymakers will decide in 2021 that most legislation needs to be fully offset. Democrats will prefer raising revenue to cutting spending.
- At some point, policymakers will decide that revenue needs to be raised for the sole purpose of reducing the deficit.
- **Assessment: In 2021, Democrats will begin paying for all legislation.**
 - While an initial stimulus/COVID-19 bill may be unpaid for, subsequent bills to build the economy, expand health care, and address climate change are likely to be revenue neutral.



How Will Tax Reform Unfold?

Reconciliation or Eliminate Filibuster?

- Even if Democrats take control of the Senate, they will likely face partisan gridlock that will pose a barrier to a Biden administration's policy agenda.
- The Senate's current cloture rule requires 60 members to end debate on most issues and move to a vote. Democrats have two options to pass legislation with less than 60 votes:

Option 1: Eliminate or Change the Filibuster

Set a new precedent by having a senator raise a point of order. If the presiding officer disagrees, Majority Leader Schumer may overturn the chair with 51 votes and a new precedent would be established.

Eliminate the filibuster by changing Rule 22 requiring 60 votes to end debate on legislation. A 2/3 majority is required to change the rule, making it unlikely.

Place restrictions on its use by banning it on particular motions (e.g., motion to proceed).

Option 2: Budget Reconciliation

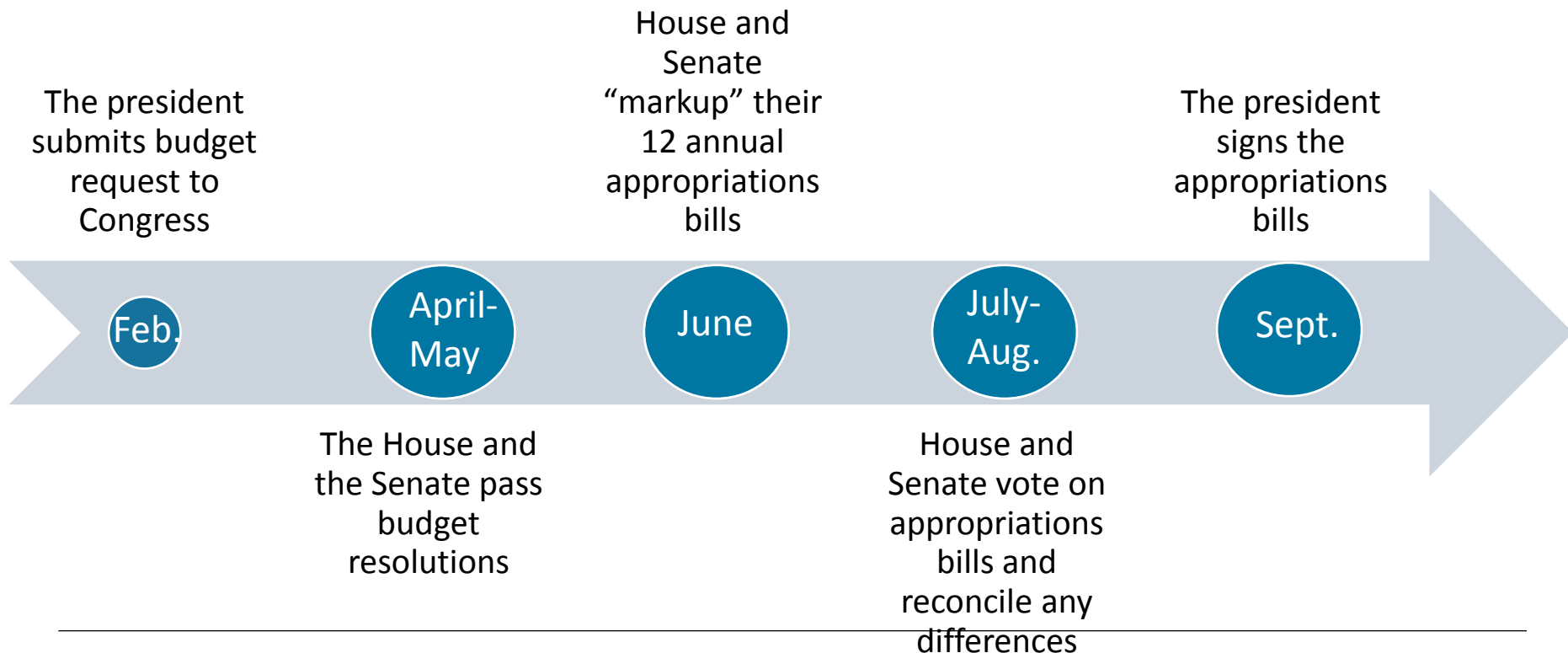
Budget reconciliation is not subject to a filibuster, since only a simple majority is required to adopt the budget resolution and bills under this process.

Democrats could use budget reconciliation to pass legislation, without ever changing current Senate rules and procedure. This is the more likely path, at least in early 2021.

Budget reconciliation has its limitations.

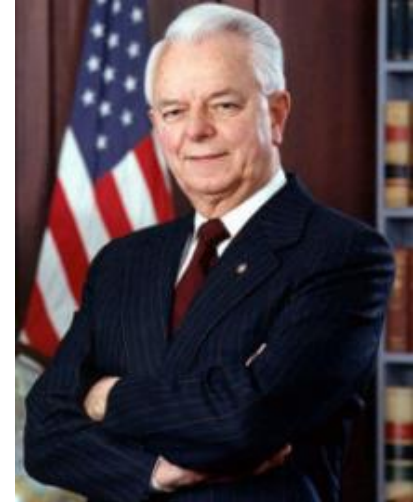
The Federal Budget Process and Reconciliation

- Each year, Congress undertakes a process to pass a budget resolution (blueprint) and 12 appropriations bills to allocate federal money to fund various government functions.
- **The Textbook Timeline:** Below are the five key steps to the federal budget process



Budget Reconciliation and Limitations





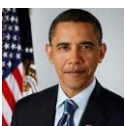

- Created by the Congressional Budget Act of 1974 (CBA), reconciliation allows for expedited consideration of certain tax, spending and debt limit legislation. In the Senate, reconciliation bills are not subject to filibuster and the scope of amendments is limited, making it a good tool to enact controversial budget and tax measures.
- Every year, congressional budget writers have the option of including “reconciliation instructions” for specified committees as part of the budget resolution.
- Reconciliation is subject to various limitations, the most important of which are Byrd Rule restrictions. Pursuant to the Byrd rule, a provision may not be included in reconciliation legislation if it:
 - ✓ Does not have an outlay or revenue effect or produces changes in outlays or revenue that are incidental to the non-budgetary components of the provision
 - ✓ Is outside the jurisdiction of the committee that submitted the title or provision for inclusion in the reconciliation measure
 - ✓ Increases the deficit beyond the “budget window” (generally 10 years)
 - ✓ Makes changes to Social Security



Reconciliation Legislation

- The budget resolution authorizes a revenue and a spending reconciliation bill.

Every new administration needs to pass economic legislation in the first year.

	Reagan	1981	Economic Recovery Tax Act of 1981	Aug. 1981
	Bush	1989	No tax bill; no second term	
	Clinton	1993	Omnibus Budget Reconciliation Act of 1993	Aug. 1993
	Bush	2001	Economic Growth & Tax Reconciliation Act of 2001	June 2001
	Obama	2009	American Recovery and Reinvestment Act of 2009	Feb. 2009
	Trump	2017	Tax Cuts and Jobs Act	Dec. 2017

Options for Revenue Reconciliation Legislation



Economic Recovery/Infrastructure/Clean Energy Tax



Health Care Reform



Climate Change

Offsets for Any Revenue Reconciliation Legislation

The following offsets could be proposed for any reconciliation bill.

- **Reverse Income Inequality**
 - Increases to the top rate
 - Increases to capital gains tax and remove step-up in basis when an asset holder dies
 - Adoption of a mark-to-market regime
 - Non-qualified deferred executive compensation
- **Corporate/International Tax**
 - Increase the corporate rate
 - Minimum book tax on revenue
 - Disincentives to place and maintain operations overseas



Offsets for Targeted Revenue Reconciliation Legislation

How will Congress pay for targeted revenue reconciliation bills or titles?

- **Clean Energy/Climate Change Tax Offsets**
 - Repeal deductions and credits benefitting fossil fuels
 - Enact a tax on carbon
- **Health Care Tax Offsets**
 - Excise taxes on tobacco, nicotine and cannabis
 - Tax on manufacturers and importers of branded drugs
 - Tax on drug makers whose prices increase above the rate of inflation



Authors

Russell W. Sullivan

Shareholder

rsullivan@bhfs.com

202.383.4423

Harold Hancock

Shareholder

hhancock@bhfs.com

202.383.4422