



## HIGHLIGHTS OF THE \$3.5 TRILLION SENATE BUDGET RESOLUTION

Senate Democrats united August 11 to pass a \$3.5 trillion budget resolution that set a framework for advancing President Biden's Build Back Better agenda through Congress. The House is expected to approve the same budget resolution on August 23, which will then allow the framework to become budget reconciliation legislation that provides funding for very specific investments and taxes that will be raised on the rich and corporations to pay for much of the agenda.

Budget reconciliation allows a measure to pass the Senate with just 51 votes, thereby avoiding a filibuster. Senate and House committees have been charged with drafting their investment and tax plans by Sept. 15 with votes on the budget reconciliation bills coming after that.

While the budget resolution that passed the Senate is a framework, the [White House](#) and the [Senate Budget Committee](#) have provided analyses of what they anticipate will be in the budget reconciliation package to be voted on this fall. The following are a summary and a more detailed description of what is likely to be in budget reconciliation legislation.

### SUMMARY OF THE BIDEN BUILD BACK BETTER AGENDA & SENATE BUDGET RESOLUTION

#### **Up to \$3.5 trillion in new investments will:**

- Make health insurance, childcare, housing, and college more affordable.
- Expand access to affordable home- or community-based care for seniors.
- Expand Medicare to include dental, vision and hearing benefits.
- Lower prescription drug costs by letting Medicare negotiate drug prices.
- Make community college debt-free for those who qualify and increase the maximum Pell Grant award by almost \$1,500.
- Make preschool available to all 3- and 4-year-olds.
- Ensure that all workers have 12 weeks of paid family and medical leave.
- Make the expanded child tax credit for low- and middle-income families permanent.
- Greatly expand the use of clean energy through new standards and tax credits.

#### **Much of the package will be paid for by:**

- Raising taxes on corporations and those earning over \$400,000 a year.
- Not raising taxes on anyone making less than \$400,000 a year.

## **DETAILS OF THE BIDEN BUILD BACK BETTER AGENDA & SENATE BUDGET RESOLUTION**

### ***TAX FAIRNESS***

**President Biden has called for taxing wealth like work and ensuring anyone making under \$400,000 a year won't pay any more in taxes.** The package Democrats are likely to propose will close loopholes that allow millionaires, billionaires, and corporations to avoid paying their fair share and roll back key provisions in the 2017 Trump-GOP tax cuts.

- It will increase the current 21% domestic corporate tax rate; raise the tax rate on offshore profits to prevent outsourcing and close loopholes that encourage profit-shifting to tax havens; and establish a 15% minimum corporate tax on very large firms.
- With respect to individuals, the legislation will raise the tax rate on the wealthiest Americans; tax income generated by investments at the same rate as income generated by wages for those making more than \$1 million a year; and close a loophole that often allows the wealthy to avoid paying taxes on investment gains for their entire lives.
- The plan will also fund stronger IRS enforcement of wealthy tax cheats.

### ***IMPROVED MEDICARE & LOWER HEALTHCARE COSTS***

- The package will expand Medicare to cover dental, hearing and vision care.
- It will lower prescription drug prices by allowing Medicare to negotiate with the pharmaceutical industry.
- The plan will help 9 million people buy health insurance by extending recent improvements made under the Affordable Care Act, saving an average of \$50 per person a month.
- It will close the Medicaid coverage gap for low-income people in states where GOP legislators have blocked expansion, helping 4 million gain coverage.
- The plan will expand home care for older and disabled Americans, while improving the jobs and wages of the workers who support them—who are predominantly women and people of color.

### ***CHILDCARE, UNIVERSAL PRE-K, PAID FAMILY LEAVE, FIGHTING CHILDHOOD POVERTY***

- The plan is expected to ensure that no working family pays more than 7% of their income for childcare up to age 5; lower-income families won't pay anything. Currently nearly 60% of kids under six lack childcare where they live.
- The plan will partner with states to make sure universal pre-K is available for every 3- and 4-year-old; right now, just 44% of kids who are four years old are served by public preschool.
- It will provide 12 weeks of paid family and medical leave; about 80% of private sector workers don't have this benefit now.
- The plan will extend the recent improvements made to the Child Tax Credit beyond this year: 39 million families will be eligible to receive \$300 a month for each child under six and \$250 a month per child over six. This will benefit nearly 90% of children and cut child poverty in half.

### ***LOWER HIGHER EDUCATION COSTS & MORE JOB TRAINING***

- The plan will provide two years of free community college, substantially boosting wages.
- The maximum Pell Grant is expected to increase by nearly \$1,500, making four-year college more affordable.
- Billions will be invested in HBCUs, Tribal Colleges and other minority-serving institutions.
- The plan will invest in training programs to help millions of workers prepare for jobs of the future.

### ***AFFORDABLE HOUSING***

- More than 10 million renters pay more than 50% of their income for rent. The plan will create and preserve affordable housing by making historic investments in programs like the Housing Trust Fund, HOME, the Capital Magnet Fund, and rural housing.
- It will improve housing affordability and equity by providing down payment assistance, rental assistance, and other homeownership initiatives.
- The plan will make substantial public housing capital investments.

### ***CLEAN ENERGY***

- The package will enact a nationwide energy efficiency and clean energy standard to shift our energy consumption away from fossil fuels and toward sustainable energy.
- It will accomplish this through investments in electric vehicles, clean electrical generation, greener buildings and sustainable agriculture.
- The plan also invests in a Civilian Climate Corps of hundreds of thousands of workers to protect our natural resources and the climate.

Passing President Biden's Build Back Better plan will provide an opportunity to make historic investments in working families, jobs, the environment, affordable health care, education and so much more. It will also help unrig our tax code and economy to ensure millionaires, billionaires and corporations begin to pay their fair share.