



Tax Policy Platform

Joe Biden: Policy Proposals

- ➔ Tax Policy
- ➔ Financial Service Policy
- ➔ Health Care Policy
- ➔ Benefit Policy
- ➔ Education Policy
- ➔ Minimum Wage Policy
- ➔ Small Business Policy
- ➔ Trade Policy
- ➔ Environmental Policy
- ➔ Infrastructure Policy

Biden's Policies



Tax Proposals



Individual Taxes

- Joe Biden would raise the top individual tax rate to its pre-*Tax Cuts and Jobs Act* (TCJA, P.L.115-97) level of 39.6%. In addition, the provisions enacted under the TCJA that lowered rates for taxpayers earning above \$400,000 a year would be entirely repealed. Biden would extend the Earned Income Tax Credit to working taxpayers above the age of 65 and provide a \$15,000 tax credit for first-time homebuyers. He would also expand the Child and Dependent Care Tax Credit, making it fully refundable and advanceable.
- Biden would expand and make permanent the New Markets Tax Credit.
- According to the Tax Policy Center, the top 1% of taxpayers would see an average 17% tax increase, middle-income taxpayers would see a 0.4% increase and the lowest-income taxpayers would see a 0.2% increase.
- Biden has proposed increasing the CTC to \$3,600 for children under six years old and \$3,000 per child between the ages of six and 17.



Corporate Taxes

- Biden supports raising the corporate tax rate from its current rate, but does not want to return to pre-TCJA levels. Instead, he would increase the corporate rate to 28%, a proposal previously floated by the Obama administration.
- On international taxation, Biden would impose a 15% minimum book tax on companies' revenue, including a credit for taxes paid to foreign countries. Companies would also be allowed to carryover losses.
- Biden also has an anti-offshoring plan that would impose a 10% surtax on the profits from products manufactured abroad and sold in the U.S.; a 10% "Made in America" advanceable tax credit for companies that invest in domestic manufacturing jobs; and eliminate "offshoring loopholes" included in the TCJA, such as (1) allowing companies with call centers abroad to avoid taxes on the first 10% of profits; (2) allowing companies to avoid U.S. taxes through tax havens; and (3) applying tax rates at half of what companies would otherwise pay for U.S. activities.
- He has proposed the establishment of a new manufacturing communities tax credit that would aim to help communities majorly affected by layoffs due to the closure of a government establishment. The credit would be funded for five years.
- He would offer tax credits to small businesses that adopt workplace savings plans and provide workers without similar plans access to an "automatic 401(k)."
- Biden has proposals to encourage green energy technology, such as expanding deductions for energy upgrades.
- He would eliminate tax breaks for prescription drug advertisements.



Wealth Tax

- Biden unveiled a plan in July that would promote access to affordable child care that contains a \$8,000 tax credit for certain families to help offset child care costs. To pay for the plan, Biden would roll back tax breaks for real estate investors, known as "like-kind exchanges," with incomes above \$400,000 and bolster tax compliance for wealthy taxpayers.
- He would apply the 12.4% portion of the Social Security tax to earnings over \$400,000.
- He would also equalize benefits of defined contribution plans across incomes.



Investing

- Biden would tax capital gains at ordinary income rates for taxpayers earning an income above \$1 million.
- He would remove the step-up in basis on capital gains when an asset holder dies.

Financial Services Proposals



Unity Task Force Proposals

The majority of Biden's financial services proposals were developed by the Biden-Sanders Unity Task Force and released as part of the Task Force's set of policy recommendations. The proposals include the following:

- Provide real-time payment systems and bank accounts ("Fed Accounts") through the Federal Reserve;
- Provide banking services through the United States Postal System (USPS);
- Create a public credit reporting agency that will be used by all federal lending programs;
- Empower the Consumer Financial Protection Bureau to more effectively discipline bad actors;
- Enable antitrust regulators to review all mergers and acquisitions that took place under the Trump administration; and,
- Strengthen the Dodd-Frank Wall Street Reform and Consumer Protection Act, particularly the provisions relating to oversight of investing, consumer lending and credit cards.



Bankruptcy Reform

Biden absorbed Sen. Elizabeth Warren's comprehensive bankruptcy reform plan. The plan would reduce fees, streamline various bankruptcy processes and modify the current two-pronged bankruptcy system in favor of a single system that would be utilized by all consumers. Under the system, filers would be presented with a set of options for how to address their debts. Certain types of debt would remain non-dischargeable, although student loans would become eligible for discharge.

Health Care Proposals



Building on the Affordable Care Act

- Public insurance option that would compete with private insurance
 - Public option would be available to those with employer-sponsored plans
 - Offer premium-free access to 4.9 million Americans living in states that did not expand Medicaid
 - Eliminate income cap for premium tax credits and premiums would be capped at 8.5% of income
 - Lower Medicare eligibility age to 60
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Surprise Billing

- Bar health providers from charging out-of-network rates when patients have no control over provider (such as during hospitalization)
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Prescription Drugs

- Allow Medicare 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
 - **Allow importation of prescription drugs deemed safe by Department of Health and Human Services**
 - Use external reference pricing to recommend prices for drugs that face no competition
 - **Biden has expressed support for the German drug pricing model, where drug manufacturers justify prices before an independent review board**
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Reproductive Health

- Repeal Hyde Amendment
 - Public option would cover reproductive health services
 - Rescind Mexico City Policy
 - Restore federal funding for Planned Parenthood
 - Codify *Roe v. Wade* into federal law
 - Require federal health plans to cover HIV/AIDS treatment, hormone therapy, and gender confirmation surgery
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Health Care Proposals (continued)



COVID-19

- Increase funding for the CDC and for state health departments
- Restore the White House National Security Council Directorate for Global Health Security and Biodefense
- Would 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
- 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
- Give the Secretary of Health and Human Services authority to approve the price of vaccines developed with taxpayer dollars
- Provide 12 weeks of paid family and care leave and seven days of paid sick leave, as outlined in the FAMILY Act (S. 463) and the Healthy Families Act (H.R. 1784)
- 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

Benefits Proposals



Retirement

Biden would return the Social Security Trust Fund, which is expected to be exhausted by 2035, to long-term solvency. This would be funded by imposing higher taxes on wealthier individuals. In addition, Biden would essentially retain the program's current structure and combat efforts to privatize it.

For taxpayers that have been receiving Social Security benefits for at least 20 years, Biden would provide them a higher monthly check. Specifically, **he has proposed increasing Social Security checks by \$200 per month.** In addition, for taxpayers who have worked 30 years, Biden would provide a benefit of at least 125% of the poverty level.

Biden would equalize the benefits of defined contribution plans across all income scales. He has proposed a tax credit replace the current deduction for retirement savings contributions with a 26% refundable tax credit for each dollar contributed. The Biden campaign has not specified a percentage; this is a revenue-neutral estimate by the Tax Policy Center. Finally, he would provide a tax break for small businesses that offer their employees a retirement plan.



Family Leave

- Biden has called for 12 weeks of paid family leave.



Sick Leave

- Biden would implement “universal paid sick leave” and would “provide emergency paid sick leave to everyone who needs it.”
- Biden would also create a \$5,000 tax credit for informal caregivers.

Education Proposals



K-12 Education

- Triple Title I funding and require districts to use these funds to offer competitive salaries and make other critical investments.
- Increase access to mental health professionals in schools and work with colleges to expand the pipeline of these professionals.
- Fully fund the Individuals with Disabilities Education Act (IDEA), roughly tripling current levels of funding, phased in over a decade.
- Increase federal infrastructure funding to, among other things, address existing health risks.
- Address \$23b funding gap between white and non-white districts, improve teacher diversity, pursue desegregation strategies.
- Invest in and expand the allowable use of Pell grants and other high-quality vocational training programs.
- Make sure teachers receive a competitive wage and benefits, and simplify PSLF to help teachers.

Early Childhood Education

- Ensure access to high-quality, affordable child care and offer universal preschool to three- and four-year olds through greater investment, expanded tax credits, and sliding-scale subsidies.
- Invest in quality child care standards and a well-trained and well-compensated workforce with the right to collectively bargain.
- Provide funds to ensure early childhood development support in community health centers and pediatrician offices with a high percentage of Medicaid and CHIP patients.
- Build safe, energy-efficient, developmentally appropriate child care facilities, including in workplaces.
- Double funding for home visiting programs.



Higher Education

- Make two years of community colleges **and training programs** tuition-free and allow students to use federal aid for child care, transportation, housing, etc.
- Make public colleges, **HBCUs and MSIs** free for families making under \$125,000.
- Create grant program for community colleges focused on boosting graduation rates, teacher development and infrastructure.
- Invest \$50b in workforce training programs.
- Double funding for Pell grants and halve payments on federal student loans – borrowers making less than \$25,000 will not owe any payments and payments will be capped at 5% of discretionary income for others; loan forgiveness after 20 years.
- Create a “Title I for postsecondary education” to help students at under-resourced four-year schools complete their degrees.
- Establish fund for schools serving poor students, and invest \$70 billion in HBCUs and other MSIs.
- Crack down on for-profit colleges and private lenders profiteering off students.
- **Cancel \$10,000 of every American's student debt and revise the current loan repayment system.**



Wage Proposals



What it would do: Biden endorsed a \$15 per hour federal minimum wage and an elimination of the 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, and eliminate the tip credit for restaurant workers.
- 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 contracts to employers who support their workers, including those who pay a \$15 per hour minimum wage and family sustaining benefits.
- Work with Congress to 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.
- **Hold employers accountable for wage theft, union busting and worker classification.**

Small Business Proposals



Provide Additional Support for Small and Micro Businesses

A Closer Look

- Reserve half of the total Paycheck Protection Program (PPP) funds for businesses with less than 50 employees.
- Create a dashboard, updated weekly, that illustrates which small businesses are accessing PPP loans.
- Expedite loans to hard hit businesses and protect banks that make good-faith errors.
- Increase oversight of small businesses that receive federal support to ensure they do not receive more than they lost in revenue and prevent funds from being used to compensate high earning executives.
- Establish look-back audit mechanisms.
- Ensure that all qualifying small businesses can access relief by removing the cap on the PPP fund.
- Allow businesses to receive payroll forgiveness for the duration of the pandemic.
- **Provide more opportunities for small businesses to access grants over loans.**
- **Establish a network of business incubators to help startups grow.**

Trade Proposals

Biden has been a vocal opponent of President Trump's "erratic" trade disputes and pledged to implement more consistent policies if elected. Biden supports free trade as a way for the United States to lead on a global stage and has spoken in favor of agreements that protect American farmers and workers and boost exports. If elected president, Biden has promised to include strong labor and environmental protections in any new trade deal.



US-China Trade

- Biden disagrees with President Trump's approach to negotiating a trade deal with China. Biden called the initial "phase one" trade agreement (signed by President Trump and Chinese Vice Premier Liu He on January 15, 2020) "vague" and "weak," and said the deal represents a loss for the United States because it fails to address the fundamental flaws in the U.S.-China trade relationship.
- The former vice president is more concerned with China's unfair trade practices— including intellectual property (IP) theft and steel dumping— than with the United States' trade deficit with China. Biden has also expressed concern about China's aggressive behavior in the region and negative human rights record, and he has criticized President Trump for alienating U.S. allies who could help pressure and negotiate with China to change its approach.
- As president, Biden said he would push back on China's predatory behavior while seeking cooperation with Chinese officials to address climate change and nuclear non-proliferation.



USMCA and TPP

- Biden voted in favor of the North America Free Trade Agreement (NAFTA) when he served in the Senate, and he has expressed support for the update to NAFTA, the U.S.-Mexico-Canada Agreement (USMCA). Biden also supported the Trans-Pacific Partnership (TPP), negotiated by the Obama administration.
- Fellow 2020 Democratic candidate Sen. Bernie Sanders (I-VT) has criticized Biden for his support of the free trade deals (as have some voters in the Midwest who saw waves of job losses after NAFTA was ratified), but Biden has continued to defend his position.

Environmental Proposals

Biden has expressed support for the Green New Deal and has unveiled his own **\$1.7 trillion** environmental plan, called the Clean Energy Revolution. It includes a number of ambitious goals but is somewhat less progressive than the proposals advanced by Sens. Elizabeth Warren (D-MA) and Bernie Sanders (I-VT). The four pillars of Biden's plan are outlined below.



Achieve 100% Clean Energy Economy by 2050

Biden aims to achieve a 100% clean energy economy and net-zero emissions by 2050 through executive orders and legislation:

- Executive Orders: require methane pollution limits for new and existing oil and gas operations; develop new fuel economy standards to fully electrify all new light- and medium-duty vehicles; set new appliance and building-efficiency standards; require companies to disclose climate risks and greenhouse gas (GHG) emissions; and permanently protect National Wildlife Refuge, enhance reforestation, and double offshore wind production by 2030.
- Legislative Goals: accelerate development of carbon capture technology; incentivize development of clean aerospace technology; build on the Recovery Act to reduce carbon emissions by 50% by 2035 for new buildings; direct the Department of Housing and Urban Development (HUD) to make low-income housing more efficient; establish the cross-agency Advanced Research Projects Agency for the climate (ARPA-C); and restore the full electric vehicle tax credit.



Invest in Infrastructure

- Build a new, safer Hudson River Tunnel and complete California high-speed rail project.
- Lower property insurance premiums for homeowners and communities that invest in climate resilience.
- Make a \$2 trillion accelerated investment to create good clean energy jobs, secure domestic supply chains, support clean public transit, upgrade buildings and construct sustainable housing, achieve a carbon-free power sector and support environmental justice communities.

Environmental Proposals (Continued)



Demonstrate Leadership

- 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.



Take Action against Fossil Fuels

- End federal subsidies for fossil fuel companies.
- Invest in coal communities as they transition to clean energy, and secure earned benefits for coal miners.
- **Oppose new permits for oil development on public lands and ban offshore drilling. Biden also opposes the Keystone XL Pipeline Project, but has not taken a position on the Dakota Access pipeline.**
- **Despite the Trump campaign's charges, Biden said recently that if elected, he will not ban fracking outright—only on public lands.**



Single-Use Plastic Ban

- 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.

Infrastructure Proposals

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

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