

# MADE IN AMERICA TAX PLAN

A look ahead at U.S. tax policy and possible changes

April 13, 2021

# Today's speakers



**Matt Talcoff**

Partner, National Industry Tax  
Leader



**Patti Burquest**

Principal, Washington National  
Tax



**Jim Alex**

Principal, Washington National  
Tax



**Ryan Corcoran**

Senior Manager, Washington  
National Tax



**Adam Chesman**

Senior Director, Washington  
National Tax

# Agenda

Topic	Speaker	Time
Introductions		5 mins.
DC – Big picture	Jim Alex	10 mins.
Made in America Tax Plan - What's in it and what's not – domestic - Proposed international tax changes - IRS enforcement	Jim Alex Adam Chesman Patti Burquest	25 mins.
The American Jobs Plan	Ryan Corcoran	10 mins.
The last word	Matt Talcoff Jim Alex	10 mins.

## Biden Administration: Made in America Tax Plan proposal

- Corporate rate
- International tax
- Enforcement

## House and Senate

- House Ways and Means Committee
  - Senate Finance Committee

## Path ahead in 2021



# MADE IN AMERICA TAX PLAN

# Made in America Tax Plan summary: Domestic

## What's in it

- Increase in the corporate tax rate to 28%
- 15% minimum tax on corporate “book income”

## What's not

- Increase in the individual income tax rate
- Increase in capital gains rate
- Elimination of the 20% flow through income deduction
- Estate tax reform
- Carried interest
- SALT tax deduction limitation
- R&D immediate expensing fix

# Biden's Made in America Tax Plan: International

## Proposed international tax changes

- Modify the GILTI regime to increase the global minimum to 21%, applied on a country-by-country basis, and removing the provision which allows exemption for 10% of QBAI
- Repeal of FDII deduction
- Global agreement around minimum taxation, repeal and replace BEAT provision, and alignment with OECD Pillar 2
- Denial of deductions relating to the “offshoring” of jobs
- Seek policies to defer or prevent inversions

# Biden's Made in America Tax Plan: IRS

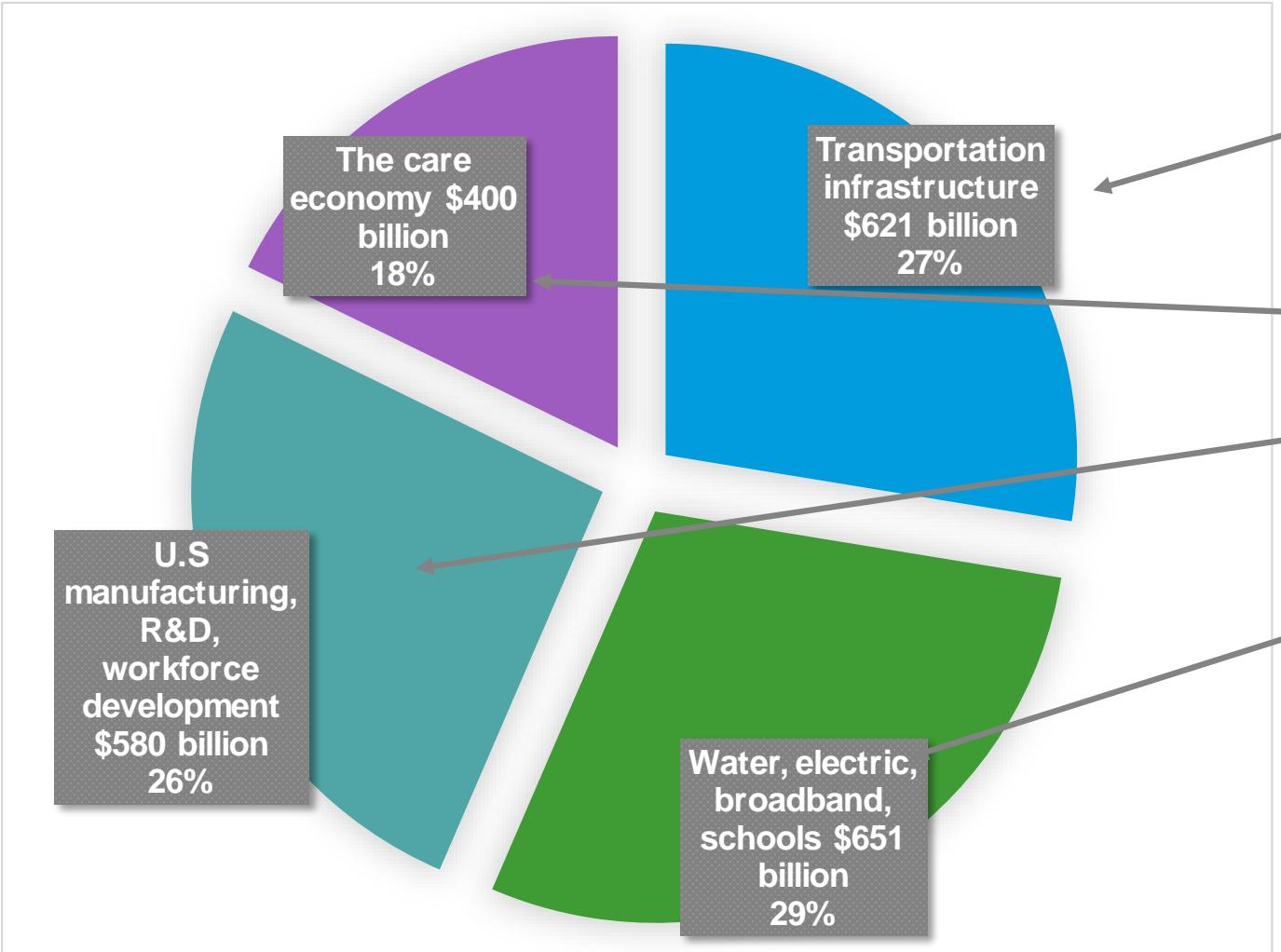
## IRS enforcement

- Biden speech: all of these provisions to be backstopped by enhanced IRS enforcement resources “to make sure corporations pay their fair share” in taxes
- Notes that effort “will be paired with a broader enforcement initiative to be announced in the coming weeks that will address tax evasion among corporations and high-income Americans.”
- IRS Commissioner Rettig has an enforcement background
- IRS budget enhancement



# THE AMERICAN JOBS PLAN

# The American Jobs Plan



## Key highlights

- Domestic supply chains from raw materials to parts; retool factories for American made batteries and EVs
- Grant and incentive programs for state and local governments for national network of 500,000 EV chargers
- Expand access to long-term care services under Medicaid
- Specific support for modernizing supply chains; extending the Section 48C tax credit program
- New financing program to support debt and equity investments for manufacturing
- Tax credits for constructing on-site child care for employers (50% of the first \$1 million of construction costs per facility)
- Targeted tax credits for housing (\$20 billion)
- Investment tax credits for high-voltage capacity power lines
- Extension and phase-down of an expanded direct-pay investment tax credit and production tax credit for clean energy generation and storage
- Reform and expand the Section 45Q tax credit; making it direct pay

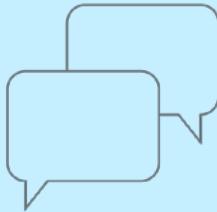


# THE LAST WORD

# Key takeaways



**Timetable and possible retroactivity**



**Client perspective**

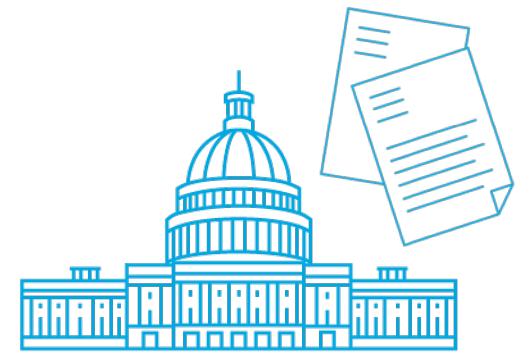


**Stay plugged in, especially next 6 months**

# Resources

## Tax policy resource center

- [Tax aspects of President Biden's American Job's Plan](#)
- [Understanding the makings of a \\$2 trillion infrastructure project](#)
- [President Biden signs American Rescue Plan Act of 2021](#)
- [Will proposed corporate, international tax changes survive Congress?](#)



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