

MADE IN AMERICA TAX PLAN

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

April 13, 2021

Today's speakers



Matt Talcoff

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Leader



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Tax



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Agenda

Topic	Speaker	Time
Introductions		5 mins.
DC – Big picture	Jim Alex	10 mins.
Made in America Tax Plan <ul style="list-style-type: none">- 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.

Big picture

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

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

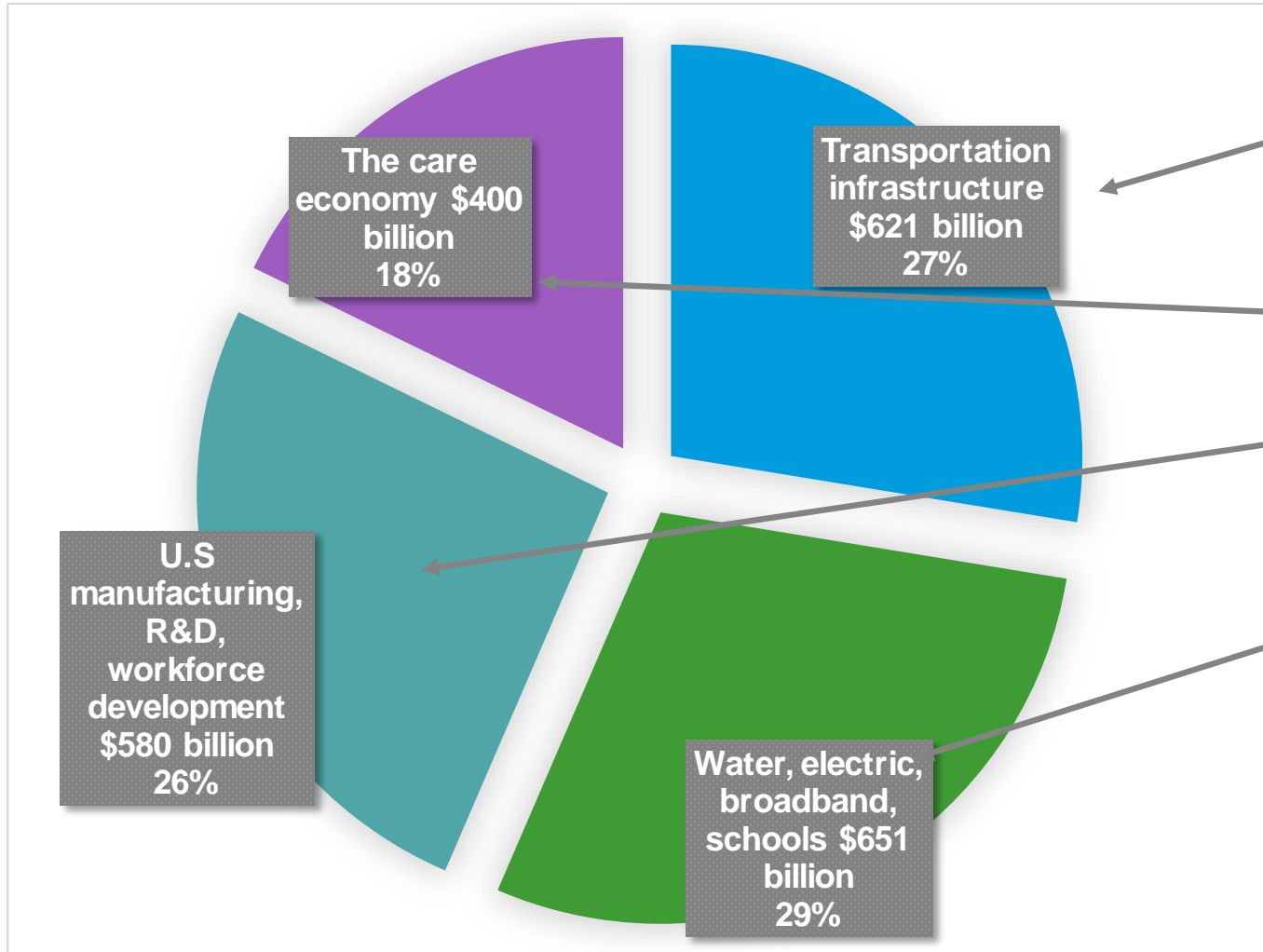
Biden's Made in America Tax Plan: IRS

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

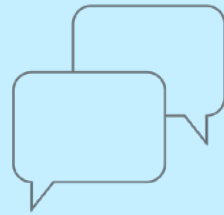
- Domestic supply chains from raw materials to parts; retool factories for American made batteries and EVs
- Grant and incentive programs for state and local governments for national network of 500,000 EV chargers
- Expand access to long-term care services under Medicaid
- Specific support for modernizing 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**

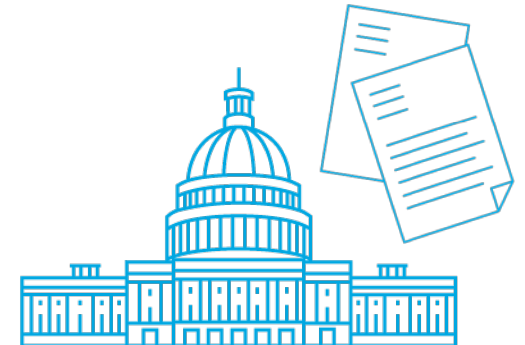


**Stay plugged in,
especially next 6
months**

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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