



Going, Sebastien, Fisher & LeBouef, LLP

Darren J. Cart, CPA/PFS
Partner
2811 S Union St, Opelousas, LA
1700 Kaliste Saloom Rd., #5
Lafayette, LA
337-942-3041
337-981-5555
darren@goingcpa.com
www.goingcpa.com

An
**AICPA Personal Financial
Planning Section**
member benefit

Infrastructure Legislation Advances, But Still Has a Ways to Go

Two large infrastructure bills have taken important steps to advance in Congress. Here's where they stand:

- On August 10, 2021, the Senate passed a \$1.2 trillion bipartisan infrastructure bill, to be named the Infrastructure Investment and Jobs Act when enacted. A vote on this bill is expected in the House no later than September 27.
- The Senate and the House have also passed a resolution along party lines (on August 11 and August 24, respectively) that sets the stage for additional legislation, a \$3.5 trillion "human infrastructure" spending package that includes tax provisions. It uses the budget reconciliation process and would require only a simple majority in the Senate. A September 15 deadline has been set for committees to draft the \$3.5 trillion legislation, with an ambitious goal of passing the legislation by the end of September (or about the same time as the smaller bill).

The legislation still has to overcome more hurdles. Some Democrats in both the House and the Senate who voted for the resolution allowing work on the \$3.5 trillion bill have indicated a concern with the size of the \$3.5 trillion spending package (or some of its expected tax provisions). Democrats hold only a slim majority in the House, and can probably afford to lose the support of only three Democratic representatives. In the Senate, the Democrats probably cannot afford to lose the support of even one Democratic senator. They will have their work cut out for them to structure the \$3.5 trillion bill so that the legislation could pass in both the House and the Senate.

What's in the \$1.2 trillion infrastructure bill?

The \$1.2 trillion bill includes \$550 billion of new spending, which includes funding for roads and bridges, transportation, railways, mass transit, water and wastewater, the electrical grid, broadband internet, and electric vehicle charging stations. No significant tax provisions are included. It would be funded in part by allocating unspent money from previous COVID-19 legislation.

What does the \$3.5 trillion human infrastructure bill include?

The \$3.5 trillion bill is expected to include many items from the American Families Plan, including free universal pre-school for all three- and four-year-olds, two years of free community college, and a national comprehensive paid family and medical leave program. Certain changes to the child tax credit, the child and dependent care tax credit, and the earned income tax credit for 2021 would likely be extended or made permanent. The package might also include raising income taxes on corporations and the wealthiest taxpayers, as well as placing limits on the stepped-up income tax basis at death and on the tax deferral for gains on like-kind exchanges. Medicare might also be expanded to cover dental, hearing, and vision benefits. The final shape and size of this bill may depend on negotiations between the different wings of Democrats in Congress.



Despite taking some important steps to advance, the legislation still has a ways to go and will have to overcome more hurdles.



IMPORTANT DISCLOSURES

Broadridge Investor Communication Solutions, Inc. does not provide investment, tax, legal, or retirement advice or recommendations. The information presented here is not specific to any individual's personal circumstances.

To the extent that this material concerns tax matters, it is not intended or written to be used, and cannot be used, by a taxpayer for the purpose of avoiding penalties that may be imposed by law. Each taxpayer should seek independent advice from a tax professional based on his or her individual circumstances.

These materials are provided for general information and educational purposes based upon publicly available information from sources believed to be reliable — we cannot assure the accuracy or completeness of these materials. The information in these materials may change at any time and without notice.