

Wisconsin Main Street Alliance: So what's in the Build Back Better plan?

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The most transformative investment in children and caregiving in generations. The framework will save most American families more than half of their spending on child care, deliver two years of free preschool for every 3- and 4-year-old in America, give more than 35 million families a major tax cut by extending the expanded Child Tax Credit, and expand access to high-quality home care for older Americans and people with disabilities.

The largest effort to combat climate change in American history. The framework will cut greenhouse gas pollution by well over one gigaton in 2030, reduce consumer energy costs, give our kids cleaner air and water, create hundreds of thousands of high-quality jobs, and advance environmental justice by investing in a 21st century clean energy economy - from buildings, transportation, industry, electricity, and agriculture to climate smart practices across our lands and waters.

The biggest expansion of affordable health care coverage in a decade. The framework will reduce premiums for more than 9 million Americans by extending the expanded Premium Tax Credit, deliver health care coverage to up to 4 million uninsured people in states that have locked them out of Medicaid, and help older Americans access affordable hearing care by expanding Medicare.

The most significant effort to bring down costs and strengthen the middle

class in generations. The framework will make the single largest and most comprehensive investment in affordable housing in history, expand access to affordable, high-quality education beyond high school, cut taxes for 17 million low-wage workers by extending the expanded Earned Income Tax Credit, and advance equity through investments in maternal health, community violence interventions, and nutrition, in addition to better preparing the nation for future pandemics and supply chain disruptions.

The framework will also improve and reform our broken immigration system consistent with the Senate's reconciliation rules.

And, it is fully paid for and will reduce the deficit by making sure that large, profitable corporations can't zero out their tax bills, no longer rewarding corporations that shift jobs and profits overseas, asking more from millionaires and billionaires, and stopping rich Americans from cheating on their tax bills. Under this historic agreement, nobody earning less than \$400,000 per year will pay a penny more in taxes.

The most transformative investment in children and caregiving in generations:

Too many working families struggle to afford the growing cost of raising children and too many older Americans and Americans with disabilities cannot access affordable home care. The Build Back Better framework will make the most transformative investment in children and caregiving in generations. Specifically, the framework will:

Provide universal and free preschool for all 3- and 4-year-olds, the largest expansion of universal and free education since states and communities across the country established public high school 100 years ago.

Preschool in the United States costs about \$8,600 per year. The Build Back Better framework will enable states to expand access to free preschool for more than 6 million children per year and increase the quality of preschool for many more children already enrolled. Importantly, parents will be able to send children to high-quality preschool in the setting of their choice – from public schools to child care providers to Head Start.

The program will lead to lifelong educational and economic benefits for children and parents, and is a transformational investment in America's future economic competitiveness. In fact, research shows that every \$1 invested in high-quality early childhood care and education can yield \$3 to \$7 over the long-run, as they do better in school, are more likely to graduate high-school and college, and earn more as adults.

Make the largest investment in child care in the nation's history, saving most working American families more than half of their spending on child care.

For decades, child care prices in the United States have risen faster than family incomes, yet the United States still invests 28 times less than its competitors on helping families afford high-quality care for toddlers. The Build Back Better framework will ensure that the vast majority of working American families of four earning less than \$300,000 per year will pay no more than 7 percent of their income on child care for children under 6.

Parents who are working, looking for work, participating in an education or training program, and who are making under 2.5 times their states median income will receive support to cover the cost of quality care based on a sliding scale, capped at 7% of their income. The framework will help states expand access to high-quality, affordable child care to about 20 million children per year – covering 9 out of 10

families across the country with young children. For two parents with one toddler earning \$100,000 per year, the framework will produce more than \$5,000 in child care savings per year. Better access to high-quality child care can increase the likelihood that parents, especially mothers, are employed or enrolled in education and training beyond high school, while also providing lifetime benefits for children, especially those who are economically disadvantaged.

Deliver affordable, high-quality care for older Americans and people with disabilities in their homes, while supporting the workers who provide this care. Right now, there are hundreds of thousands of older Americans and Americans with disabilities on waiting lists for home care services or struggling to afford the care they need, including more than 800,000 who are on state Medicaid waiting lists. A family paying for home care costs out of pocket currently pays around \$5,800 per year for just four hours of home care per week. The Build Back Better framework will permanently improve Medicaid coverage for home care services for seniors and people with disabilities, making the most transformative investment in access to home care in 40 years, when these services were first authorized for Medicaid. The framework will improve the quality of caregiving jobs, which will, in turn, help to improve the quality of care provided to beneficiaries.

Provide more than 35 million households up to \$3,600 (or \$300 per month) in tax cuts per child by extending the American Rescue Plan's expanded Child Tax Credit. The Build Back Better framework will provide monthly payments to the parents of nearly 90 percent of American children for 2022 – \$300 per month per child under six and \$250 per month per child ages 6 to 17. This historic tax cut will help cover the cost of food, housing, health care, and transportation and will continue the largest one-year reduction in child poverty in history. And critically, the framework includes permanent refund-ability for the Child Tax Credit, meaning that the neediest families will continue to receive the full Child Tax Credit over the long-run.

The largest effort to combat climate change in American history:

Scientists have warned for years that extreme weather will only worsen in the wake of climate change. Millions of Americans are living this reality in real time. In addition to the lives shattered and lost, extreme weather fueled by climate change destroys homes, schools, and small businesses, and cost America more than \$100 billion last year alone. Delayed action on climate also sets us back in the global race on manufacturing and innovation and keeps us from harnessing the economic opportunity that this moment represents.

The Build Back Better framework is the largest effort to combat the climate crisis in American history. The framework will start cutting climate pollution now, and deliver well over one gigaton, or a billion metric tons, of greenhouse gas emissions reductions in 2030 – at least ten times larger than any legislation Congress has ever passed. The framework’s \$555 billion investment represents the largest single investment in our clean energy economy in history, across buildings, transportation, industry, electricity, agriculture, and climate-smart practices across lands and waters. The framework will set the United States on course to meet its climate targets, achieving a 50-52% reduction in greenhouse gas emissions below 2005 levels in 2030 in a way that grows domestic industries and good, union jobs — and advances environmental justice.

Specifically, the Build Back Better framework will:

Deliver substantial consumer rebates and ensure middle class families save money as they shift to clean energy and electrification. The consumer rebates and credits included in the Build Back Better framework will save the average American family hundreds of dollars per year in energy costs. These measures include enhancement and expansion of existing home energy and efficiency tax credits, as well as the creation of a new, electrification-focused rebate program. The framework will cut the cost of installing rooftop solar for a home by around 30 percent, shortening the payback period by around 5 years; and the framework’s electric vehicle tax credit will lower the cost of an electric vehicle that is made in America with American materials and union labor by \$12,500 for a middle-class family. In addition, the framework will help rural communities tap into

the clean energy opportunity through targeted grants and loans through the Department of Agriculture.

Ensure clean energy technology - from wind turbine blades to solar panels to electric cars - will be built in the United States with American made steel and other materials, creating hundreds of thousands of good jobs here at home. The Build Back Better legislation will target incentives to grow domestic supply chains in solar, wind, and other critical industries in communities on the frontlines of the energy transition. In addition, the framework will boost the competitiveness of existing industries, like steel, cement, and aluminum, through grants, loans, tax credits, and procurement to drive capital investment in the decarbonization and revitalization of American manufacturing.

Advance environmental justice through a new Clean Energy and Sustainability Accelerator that will invest in projects around the country, while delivering 40% of the benefits of investment to disadvantaged communities, as part of the President's Justice40 initiative. The framework will also fund port electrification; facilitate the deployment of cleaner transit, buses, and trucks; and support critical community capacity building, including grants to environmental justice communities. In addition, the framework will create a new Civilian Climate Corps - with over 300,000 members that look like America. This diverse new workforce will conserve our public lands, bolster community resilience, and address the changing climate, all while putting good-paying union jobs within reach for more Americans.

Bolster resilience and natural solutions to climate change through a historic investment in coastal restoration, forest management, and soil conservation. The framework will provide resources to farmers, ranchers, and forestland owners, supporting their efforts to reduce emissions. At its peak, the increased investments in climate smart agriculture alone could reach roughly 130 million cropland acres per year, representing as many as 240,000 farms. Farmers, ranchers, and forestland owners have long demonstrated leadership in environmental stewardship with strategies that provide benefits for the farm, the

environment, and the public. These investments will help meet the demand from the farming community for conservation support and enable producers to realize the full potential of climate benefits from agriculture.

The biggest expansion of affordable health care in a decade:

Health care should be a right, not a privilege, and Americans facing illness should never have to worry about how they are going to pay for their treatment. While the historic Affordable Care Act (ACA) reduced the number of uninsured Americans by more than 20 million, extended critical consumer protections to more than 100 million people, and strengthened and improved the nation's health care system, too many Americans continue to struggle to afford care. About 30 million people were uninsured in 2019 before President Biden took office, and coverage under the ACA (even with the premium subsidies) was too expensive for many families. In addition to investing in protecting Americans from future pandemics, the Build Back Better framework will expand access to affordable coverage. In all, the framework will be the largest expansion of health care coverage since the Affordable Care Act. Specifically, the framework will:

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Close the Medicaid coverage gap, leading 4 million uninsured people to gain coverage. The Build Back Better framework will deliver health care coverage through Affordable Care Act premium tax credits to up to 4 million uninsured people in states that have locked them out of Medicaid. A 40-year old in the coverage gap would have to pay \$450 per month for benchmark coverage – more than half of their income in many cases. The framework provides individuals

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historic Affordable Care Act (ACA) reduced the number of uninsured Americans by more than 20 million, extended critical consumer protections to more than 100 million people, and strengthened and improved the nation's health care system, too many Americans continue to struggle to afford care. About 30 million people were uninsured in 2019 before President Biden took office, and coverage under the ACA (even with the premium subsidies) was too expensive for many families. In addition to investing in protecting Americans from future pandemics, the Build Back Better framework will expand access to affordable coverage. In all, the framework will be the largest expansion of health care coverage since the Affordable Care Act. Specifically, the framework will:

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Expand Medicare to cover hearing benefits. Only 30% of seniors over the age of 70 who could benefit from hearing aids have ever used them. The Build Back Better framework will expand Medicare to cover hearing services, so that older Americans can access the affordable care they need.

The most significant effort to bring down costs and strengthen the middle class in generations:

In addition to major investments in children and care, climate, and health, the Build Back Better framework includes targeted investments that will reduce costs that hold back middle-class families and grow our economy from the bottom up and the middle out. Specifically, the framework will:

Make the single largest and most comprehensive investment in affordable housing in history. The framework will enable the construction, rehabilitation, and improvement of more than 1 million affordable homes, boosting housing supply and reducing price pressures for renters and homeowners. It will address the capital needs of the public housing stock in big cities and rural communities all across America and ensure it is not only safe and habitable but healthier and more energy efficient as well. It will make a historic investment in rental assistance, expanding vouchers to hundreds of thousands of additional families.

And, it includes one of the largest investments in down payment assistance in history, enabling hundreds of thousands of first-generation homebuyers to purchase their first home and build wealth. This legislation will create more equitable communities, through investing in community-led redevelopments projects in historically under-resourced neighborhoods and removing lead paint from hundreds of thousands of homes, as well as by incentivizing state and local zoning reforms that enable more families to reside in higher opportunity neighborhoods.

Extend the expanded Earned Income Tax Credit (EITC) for around 17 million low wage workers. Before this year, the federal tax code taxed low-wage childless workers into poverty or deeper into poverty — the only group of workers it treated this way. The Build Back Better framework will extend the American Rescue Plan's tripling of the credit for childless workers, benefiting 17 million low-wage workers, many of whom are essential workers, including cashiers, cooks, delivery drivers, food preparation workers, and childcare providers. For example, a childless

worker who works 30 hours per week at \$9 per hour earns income that, after taxes, leaves them below the federal poverty line. By increasing her EITC to more than \$1,100, this expansion helps pull such workers out of poverty.

Expand access to affordable, high-quality education beyond high school. Education beyond high school is increasingly important for economic growth and competitiveness in the 21st century, even as it has become unaffordable for too many families. The Build Back Better framework will make education beyond high school – including training for high-paying jobs available now – more affordable. Specifically, the framework will increase the maximum Pell Grant by \$550 for more than 5 million students enrolled in public and private, non-profit colleges and expand access to DREAMers. It will also make historic investments in Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and minority-serving institutions (MSIs) to build capacity, modernize research infrastructure, and provide financial aid to low-income students. And, it will invest in practices that help more students complete their degree or credential. The framework will help more people access quality training that leads to good, union, and middle-class jobs. It will enable community colleges to train hundreds of thousands of students, create sector-based training opportunity with in demand training for at least hundreds of thousands of workers, and invest in proven approaches like Registered Apprenticeships and programs to support underserved communities. The framework will increase the Labor Department’s annual spending on workforce development by 50% for each of the next 5 years.

Promote nutrition security to support children’s health. The Build Back Better framework will help children reach their full potential by investing in nutrition security year-round. The legislation will expand free school meals to 8.7 million children during the school year and provide a \$65 per child per month benefit to the families of 29 million children to purchase food during the summer.

Strengthen the middle class through a historic investment in equity, safety, and fairness. The legislation makes a transformative investment in Rural

America through a new Rural Partnership Program that will empower rural regions, including Tribal Nations and territories, by providing flexible funding for locally-led projects. The Build Back Better framework will also make an historic investment in maternal health and establish a new and innovative community violence intervention initiative, in addition to investing in small businesses and preparing the nation for future pandemics and supply chain disruptions.

In addition, the framework includes a \$100 billion investment to reform our broken immigration system, consistent with the Senate's reconciliation rules, as well as reducing backlogs, expanding legal representation, and making the asylum system and border processing more efficient and humane.

Fully Paying for Historic Investments

The plan is fully paid for by asking more from the very largest corporations and the wealthiest Americans, and by repealing the Trump Administration's rebate rule. The framework will help reverse the windfall delivered to wealthy Americans and large corporations in the 2017 tax cut and invest the revenue in American families and workers. No one making under \$400,000 will pay a penny more in taxes.

Specifically, the framework will:

Stop large, profitable corporations from paying zero in tax and tax corporations that buyback stock rather than invest in the company. In 2019, the largest corporations in the United States paid just 8 percent in taxes, and many paid nothing at all. President Biden believes this is fundamentally unfair. The Build Back Better framework will impose a 15% minimum tax on the corporate profits that large corporations—those with over \$1 billion in profits—report to shareholders. This means that if a large corporation says it is earning a billion dollars, then it can't avoid paying taxes. The framework also includes a 1% surcharge on corporate stock buybacks, which corporate executives too often use to enrich themselves rather than investing workers and growing their businesses.

Stop rewarding corporations for shipping jobs and profits

overseas. President Biden has led the world to stop the race to the bottom in corporate taxes, while also calling for an end to incentives that encourage corporations to ship jobs and profits overseas. That's why the President won an agreement among 136 countries on a 15% global minimum tax. This framework will help finish the job. Consistent with that agreement, it'd adopt a 15% country-by-country minimum tax on foreign profits of U.S. corporations, so that they no longer receive massive tax benefits from shifting profits and jobs abroad. And, these reforms would ensure that other countries abide by the agreement by imposing a penalty rate on any foreign corporations based in countries that do not. Other countries will not be able to take advantage by pursuing a race to the bottom.

Ask the highest income Americans to pay their fair share. The Build Back Better framework includes a new surtax on the income of multi-millionaires and billionaires – the wealthiest 0.02 percent of Americans. It would apply a 5 percent rate above income of \$10 million, and an additional 3 percent surtax on income above \$25 million. The Build Back Better framework will also close the loopholes that allows some wealthy taxpayers to avoid paying the 3.8 Medicare tax on their earnings.

Invest in overhauling tax administration, so the wealthy finally pay what they owe. Regular workers pay the taxes they owe on their wages and salaries—with a 99 percent compliance rate—while too many wealthy taxpayers hide their income from the IRS so they don't have to pay. Yet, the IRS does not have the resources it needs to pursue wealthy tax cheats. As a result of budget cuts, audit rates on those making over \$1 million per year fell by over 60 percent over the last decade, and the IRS audits only 7,500 of the 4.2 million partnership returns filed each year. The result of a gutted IRS is a two tiered tax system, where wage earners pay all the taxes they owe, but the top 1 percent evades over \$160 billion per year in taxes. The framework will create a fairer tax system through transformation investments in the IRS: hiring enforcement agents who are trained to pursue wealthy evaders, modernizing outdated IRS technology, and investing in taxpayer service, so regular Americans can get their questions answered and access to the credits and benefits they are entitled to. Additional enforcement resources will be focused on pursuing those with the highest incomes; not

Americans with income less than \$400,000.

Main Street Alliance Reacts to the Build Back Better Framework

MADISON- Main Street Alliance supports progress on the framework for the Build Back Better plan as the final deal begins to take shape. In partnership, the Build Back Better Agenda and the Bipartisan Infrastructure Deal will make critical investments we need to build our economy and rebuild our communities.

The President's legislative agenda will invest in our nation's future and build an economy that rewards work, not wealth, by lowering costs for working people, supporting small businesses, and creating millions of new good-paying jobs.

Building on the American Rescue Plan this Spring, we have moved from rescue to recovery with this historic investment in our middle class. However, we also know that this is a downpayment on a more equitable future. There is more work to be done. By removing paid leave from negotiations, politicians missed another opportunity to build back with equity. The lack of paid leave overly burdens the ability for small businesses to provide space and hold a job for an employee who needs time for their family, as well as themselves. Main Street Alliance stands ready to continue to elevate what small businesses need now.