FEDERAL POST-ELECTION UPDATE
STATE AND LOCAL TAXATION TASK FORCE
ERLINDA A. DOHERTY, DIRECTOR, BUDGETS & REVENUE COMMITTEE
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CONGRESS LAME DUCK STATUS & AGENDA

- Senate composition won’t be officially decided until January
- House Democrats maintain control but majority eroded
- Congressional leadership expected to remain the same
- COVID-19 Legislation still uncertain
  - Despite progress during pre-election negotiations, Administration and Democrats remain far apart
  - Given President Trump’s expected loss, unclear whether Administration will enact a deal before the of this Congress
- Appropriations Outlook
  - Passage of “minibus” spending packages likely to fund government thru FY 2021
  - House passed most of its bills this Summer, Senate just released a series of spending bills
  - Spending agreement could be the vehicle for other last minute policy items & possibly COVID relief
  - House Ways and Means agenda mostly aligned with Biden’s
- Neither party has a mandate and cooperation is vital going into the 117th Congress
BIDEN TRANSITION AGENDA

- Transition team comprised of key federal agency alumni
- First 100 days will set stage as Biden may rescind or freeze regulations from previous Administration
- Major Policy Priorities
  - Comprehensive national strategy to combat the pandemic
  - Invest in infrastructure
  - Provide a middle class tax cut
  - Reforming health care by expanding ACA
  - Tackle climate change
BIDEN COVID-19 PROPOSALS

- $700 billion economic recovery plan
- Nationwide mask mandate and boost stockpile
- Additional support for small businesses, testing, and $30 billion for schools
- $25 billion for therapeutics and vaccine
- Create national contact tracing program
- Address state and local budget shortfalls
- Establish new U.S. Public Health Job Corps
BIDEN TAX PROPOSALS

- Tax credits for new investments in domestic manufacturing
- Raising the corporate tax rate to 28%
- Provide tax relief to lower-and-middle income families, including expansion of the child tax credit
- Increasing tax incentives for employers to offer retirement plans
- Providing refundable low-income renter’s and first-time home buyer’s credits
- Taxing capital gains and dividends at ordinary rates for those with annual incomes of more than $1 million
- Doubling the tax rate on profits earned by foreign subsidiaries of US firms to 21%
- Imposing a 15% minimum tax on book income of large companies
Questions?

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