

Updated October 21, 2021

Based on House Bill; Subject to ongoing negotiations



Overview of the \$3.5 Trillion Human Infrastructure Bill (" Reconciliation Bill" or Build Back Better Act)

Increases the Top Long-Term Capital Gains Rate from 20% to 28.8%
Increases the top long-term capital gains rate from 20% to 25% for incomes over \$400,000 for individuals, and \$450,000 for married filing jointly. The 3.8% net investment income tax would continue to apply to income over \$200,000 for individuals, and \$250,000 for married filing jointly, for a combined top capital gains tax rate of 28.8%.

Provides \$79 Billion for IRS Enforcement & Audits
This figure is six times more than annual IRS enforcement budget and would lead to more audits.

Creates Mandates on Employers to Provide Retirement Plans
Requires employers with five or more employees and without employer-sponsored plans to automatically enroll their employees in IRAs or 401(k)-type plans with a minimum of 6 percent of pay and includes financial penalties for noncompliance.

Provides \$80 Billion for Workforce Development Programs
These funds would go to workforce development programs— like the Perkins Career and Technical Training program, apprenticeship, youth apprenticeship and pre-apprenticeship programs, federal workforce system— with an emphasis on training people for clean energy-related jobs.

Fails to Provide a Level Playing Field for Obtaining Workforce Development Funding
These funds would only be available to apprenticeship, youth apprenticeship and pre-apprenticeship programs that are registered with the state or U.S. Dept. of Labor. While joint labor-management apprenticeship programs are the gold standard for training workers in the industry, high-quality unilateral programs should be eligible for government funding on a fair and impartial basis. Expanding opportunity and access to all training opportunities is an important part of addressing workforce shortages.

Provides \$82 Billion for K-12 Public School Construction
This funding would largely flow through state and local education authorities based on the percentage of disadvantaged students in the enrolled population of elementary and secondary schools.

K-12 Public School Construction Projects May Include Labor Mandates
Because these funds are disbursed via grant programs at the U.S. Dept. of Education, that agency would have discretion to award grants to projects that incorporate labor requirements, like government-mandated project labor agreements, local hire goals, or other targeted preferential hiring requirements.

Includes \$43 Billion for Utility Infrastructure
Of that \$43 billion, \$30 billion would go to d 1unding would

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Expands Electric Vehicle (EV) Subsidies Without Addressing Highway Trust Fund

The bill would further exacerbate the HTF deficit by greatly expanding subsidies for the purchase of EVs without establishing a method for these vehicles to contribute to the trust fund. The legislation would expand the maximum EV tax credit from \$7,500 to \$12,500 per vehicle and make the credit " fully refundable" so that individuals with no tax liability would still receive the full incentive. It would also create new tax credits for the purchase of used EVs and commercial EVs. The full credit(s) would only be available to vehicles manufactured at domestic facilities operating under a collective bargaining agreement.