



Joe Biden: Policy Proposals

The Democratic Agenda for 2021

If Joe Biden wins the presidency, Democrats will pursue an ambitious policy agenda



COVID-19 and Rebuilding the Economy. In the short-term, unless the economy is rapidly expanding in January 2021, Democrats will likely take emergency actions to pass a COVID-19 stimulus bill. In the long-term, they will enact policies that incentivize small business expansion, infrastructure, green energy, and reshoring and job creation.



Health Care. Democrats will push more aggressive federal engagement in combatting the virus, including measures like those the Senate ultimately did not pass during the 2020 COVID-19 stimulus debate. Later, Democrats will tackle health care access and affordability.



Individual Tax. Democrats will reduce income inequality through the tax code, helping working-class families while raising taxes on wealthier Americans. Democrats will also seek to raise the minimum wage.



Benefits. Democrats will bolster retirement benefits and enact a paid family leave policy.



Education. Democrats will increase funding for K-12, make early education more affordable and accessible, and attempt to make the first two years of community college free. They will also place an emphasis on technical training courses, registered apprenticeships, and trade school in lieu of college.



Small Business. Democrats will improve access to low-interest loans and grants for small businesses, as well as provide other support.



Wage. Democrats would increase the minimum wage to a “living wage” and index the wages to inflation.

The Democratic Agenda for 2021



Corporate Taxation. Democrats will likely consider increases to the corporate tax rate, other TCJA reversals, and penalties for offshore operations as a potential way to pay for spending initiatives and later to reduce the deficit.



Financial Services. Democrats will pursue policies that increase access to banking products for low-income Americans. They will also push for the creation of a public reporting agency, banking access for marijuana businesses in states where the drug is legal and enable banking services through the U.S. Postal Service.



Trade. Democrats will pursue trade agreements that protect American farmers and workers and boost exports. Democrats will also seek to include strong labor and environmental protections in any new trade deal.



Infrastructure. Democrats could couple surface transportation legislation with an extension of transportation excise taxes, tax-favored bond financing, and energy tax legislation. Congress historically has used infrastructure legislation to spur the economy.



Energy/Environment. Many Democrats will advocate for addressing climate change in 2021. Tax policies such as a carbon tax will be part of this debate.



Budget Solvency and Income Inequality. In 2021, lawmakers will decide to reduce the budget deficit. If Democrats control, many will advocate for policies that reduce income inequality and the deficit simultaneously.



Rebuilding the Economy—Short-Term Emergency COVID-19 Bill

- In the short-term, a President Biden would likely focus on an emergency COVID-19 economic stimulus package to spur economic growth and improve the public health situation.
 - A stimulus package prior to the November election is highly unlikely, and barring a major winter resurgence of the virus coupled with a spike in business closures and unemployment, a lame duck stimulus bill is also an uphill climb.
 - So far, Congress has passed just over \$3.3 trillion in relief, over three times what was passed in 2009 in light of the financial crisis. Biden has made it clear that more relief is necessary.
- The size and scope of a package will depend on the public health and economic outlook. If unemployment rates continue to fall and infection rates do not worsen during the winter, a smaller, more targeted package is likely.
 - A public health plan to address the pandemic, including a national mask mandate
 - Assistance for all businesses
 - Targeted grants and loans for small businesses
 - Bolstered unemployment benefits
 - Help for individuals and families





Rebuilding the Economy—Short-Term Emergency COVID-19 Bill (non-health care)



Employee Retention

- Build and improve work-share programs.
- Tax credits, such as an expansion of the Employee Retention Tax Credit, for businesses who commit to helping workers stay employed through the crisis.
- Premium pay for essential workers who were on the frontlines during the height of the pandemic.



Other Assistance

- Cleaning credit to help businesses implement new health and safety protocols.
- Hiring credit such as an expansion of the Work Opportunity Tax Credit to include workers who were receiving unemployment assistance.
- Fixed expense credit to help businesses cover rent, mortgage and utility payments.
- Help for small businesses through loans or grants.



Addressing Unemployment

- Robust unemployment benefits that are efficiently delivered to those who lose jobs due to the pandemic.
- Put people to work by enlisting them to help fight the pandemic, including through a Public Health Jobs Corps.



Safety Nets

- Additional \$1,200 relief checks for individuals and families, if bad economic conditions persist.
- Adding \$200 a month to Social Security checks.
- Forgiveness of at least \$10,000 per person of student loan debt.
- Paid emergency sick leave for anyone in need, without limiting the size of the company or differentiating between contractors, self-employed individuals and traditional employees.



Rebuilding the Economy—Short-Term Emergency COVID-19 Bill (health care)

Public Health Strategies: Biden has repeatedly noted that no economic strategy will work if the virus is not curtailed—any economic plan must incorporate a public health strategy. This includes:

- Robust testing and contact testing through a Pandemic Testing Board modeled after FDR’s War Production Board.
- Fully use the Defense Production Act to surge equipment and supplies to new hotspots. This includes ventilators and personal protective equipment for health care workers.
- Provide clear, consistent, evidence-based national guidance for how communities should navigate the pandemic and the resources for schools, small businesses and families to survive the pandemic. This includes renewable funds for state and local governments to help prevent budget shortfalls.
- Implement a nationwide mask mandate and plan for effective, equitable distribution of treatments and vaccines.
- No cost for COVID-19 testing or treatment.



Health Care Proposals



Building on the Affordable Care Act

- Public insurance option that would compete with private insurance.
- Public option would be available to those with employer-sponsored plans.
- Offer premium-free access to 4.9 million Americans living in states that did not expand Medicaid.
- Eliminate income cap for premium tax credits with premiums capped at 8.5% of income.
- Lower Medicare eligibility age to 60.



Surprise Billing

- Bar health providers from charging out-of-network rates when patients have no control over provider (such as during hospitalization).



Prescription Drugs

- Allow government to negotiate drug prices directly with manufacturers.
- Limit drug price increases to the rate of inflation.
- Tax drug makers whose drug prices increase above rates of inflation.
- Allow importation of prescription drugs from other countries as long as drug is considered safe by Department of Health and Human Services.
- Use external reference pricing to recommend prices for drugs that face no competition.



Reproductive Health

- Repeal Hyde Amendment.
- Public option would cover reproductive health services.
- Rescind Mexico City Policy.
- Restore federal funding for Planned Parenthood.
- Codify *Roe v. Wade* into federal law.
- Require federal health plans to cover HIV/AIDS treatment, hormone therapy, and gender confirmation surgery.



Health Care Proposals (continued)



COVID-19

- Increase funding for the CDC and for state health departments.
- Restore the White House National Security Council Directorate for Global Health Security and Biodefense.
- Would amend the Public Health Service Act to cover all testing, treatment, preventative services and vaccines necessary to address a public health emergency for an infectious disease.
- Ensure no cost-sharing in any public health programs for COVID-19 treatments and vaccines.
- Expand authority of the National Disaster Medical System to reimburse providers for treatment costs related to COVID-19 that are not covered by insurance.
- Give the Secretary of Health and Human Services authority to approve the price of vaccines developed with taxpayer dollars.
- Provide 12 weeks of paid family and medical leave and seven days of paid sick leave, as outlined in the FAMILY Act (S. 463) and the Healthy Families Act (H.R. 1784).
- Increase Federal Medical Assistance Percentage (FMAP) by at least 10% for all states and provide matching federal dollars for states to maximize Medicaid enrollment.
- Create an emergency fund for state and local governments to provide resources for health and economic needs.



Individual Tax Proposals



Individual Taxes

Retirement

- Extend the Earned Income Tax Credit to working taxpayers above the age of 65 and provide a \$15,000 tax credit for first-time homebuyers.
- 26% tax credit to match traditional retirement contributions as a replacement for deductibility of those contributions.
- End individual retirement account deductions and replace them with flat tax credits—the rate has not yet been specified.

Child and Dependent Care

- Expand the Child and Dependent Care Tax Credit, making it fully refundable and advanceable.
- Promote access to affordable child care that contains an \$8,000 tax credit for certain families to help offset child care costs.

Housing

- A renter's credit to reduce rent and utilities to 30% of income.
- A First Down Payment Tax Credit of up to \$15,000.



Taxes on Wealthy Individuals to Promote Income Inequality

New Taxes

- Restore the top rate for individuals to its pre-TCJA level of 39.6% from 37%.
- Impose the 12.4% Social Security payroll tax on wage and self-employment income earned above \$400,000.

Caps or Phase-Outs of Existing Tax Incentives

- Cap the value of itemized deductions at 28% and restoring the Pease limitation on itemized deductions for those with taxable income above \$400,000.
- Phase-out the Sec. 199A deduction enacted by the TCJA for those earning over \$400,000.



Investing

- Tax long-term capital gains (LTCG) and qualified dividends at ordinary income rates on income above \$1 million.
- Remove the step-up in basis on capital gains when an asset holder dies.
- Eliminate tax-free like-kind exchanges for investors with incomes above \$400,000.



Individual Tax—Wage Proposals



What it would do: Biden endorsed a \$15 per hour federal minimum wage and an elimination of the tipped minimum.

A Closer Look

- Raise the federal minimum wage to \$15 per hour for all workers, including farmworkers, domestic workers, tipped workers and workers with disabilities, and eliminate the tip credit for restaurant workers.
- Index the minimum wage to the median hourly wage so low-wage workers' wages keep up with those of middle-income workers.
- Widely and strictly enforce prevailing wage protections.
- Provide more overtime pay to workers by reviving DOL's Obama-era overtime rule.
- Only award government contracts to employers who support their workers, including those who pay a \$15 per hour minimum wage and family sustaining benefits.
- Work with Congress to eliminate all non-compete agreements, except the few that are necessary to protect a narrowly defined category of trade secrets, and outright ban all no-poaching agreements.



Benefits Proposals



Retirement

Biden would return the Social Security Trust Fund, which is expected to be exhausted by 2035, to long-term solvency. This would be funded by imposing higher taxes on wealthier individuals. In addition, Biden would retain the program's current structure and combat efforts to privatize it.

For taxpayers that have been receiving Social Security benefits for at least 20 years, Biden would provide them a higher monthly check. In addition, for taxpayers who have worked 30 years, Biden would provide a benefit of at least 125% of the poverty level.

Biden would equalize the benefits of defined contribution plans across all income scales. Finally, he would provide a tax break for small businesses that offer their employees a retirement plan.



Family Leave

Beyond ensuring that taxpayers should be provided time off to take care of loved ones, Biden has not outlined a detailed plan.



Sick Leave

Biden does not have a plan for sick leave.



Education Proposals



K-12 Education

- Triple Title I funding and require districts to use these funds to offer competitive salaries and make other critical investments.
- Increase access to mental health professionals in schools and work with colleges to expand the pipeline of these professionals.
- Fully fund the Individuals with Disabilities Education Act (IDEA), roughly tripling current levels of funding, phased in over a decade.
- Increase federal infrastructure funding to, among other things, address existing health risks.
- Address \$23 billion funding gap between white and non-white districts, improve teacher diversity and pursue desegregation strategies.
- Invest in and expand the allowable use of Pell grants and other high-quality vocational training programs.
- Make sure teachers receive a competitive wage and benefits, and simplify PSLF to help teachers.

Early Childhood Education

- Ensure access to high-quality, affordable child care and offer universal preschool to three- and four-year-olds through greater investment, expanded tax credits and sliding-scale subsidies.
- Invest in quality child care standards and a well-trained and well-compensated workforce with the right to collectively bargain.
- Provide funds to ensure early childhood development support in community health centers and pediatrician offices with a high percentage of Medicaid and CHIP patients.
- Build safe, energy-efficient, developmentally appropriate child care facilities, including in workplaces.
- Double funding for home visiting programs.



Higher Education

- Make two years of community college free and allow students to use federal aid for child care, transportation, housing, etc.
- Make public colleges free for families making under \$125,000.
- Create grant program for community colleges focused on boosting graduation rates, teacher development and infrastructure.
- Invest \$50 billion in workforce training programs.
- Double funding for Pell grants and halve payments on federal student loans—borrowers making less than \$25,000 will not owe any payments and payments will be capped at 5% of discretionary income for others; loan forgiveness after 20 years.
- Create a “Title I for postsecondary education” to help students at under-resourced four-year schools complete their degrees.
- Establish fund for schools serving poor students, and invest \$70 billion in HBCUs and other MSIs.
- Crack down on for-profit colleges and private lenders profiteering from students.





Small Business Proposals



Provide Additional Support for Small and Micro Businesses

A Closer Look

- Reserve half of the total Paycheck Protection Program (PPP) funds for businesses with less than 50 employees.
- Create a dashboard, updated weekly, that illustrates which small businesses are accessing PPP loans.
- Expedite loans to hard hit businesses and protect banks that make good-faith errors.
- Increase oversight of small businesses that receive federal support to ensure they do not receive more than they lost in revenue and prevent funds from being used to compensate high-earning executives.
- Establish look-back audit mechanisms.
- Ensure that all qualifying small businesses can access relief by removing the cap on the PPP fund.
- Allow businesses to receive payroll forgiveness for the duration of the pandemic.



Corporate Proposals

Making Sure Corporations Pay Income Taxes

- Raise corporate rate from 21% to 28%.
- Implement a 15% minimum book profits tax on firms with \$100 million or more in net income.

Discouraging Moving Operations Abroad

- Apply a 10% offshoring penalty surtax on services and sales to U.S. customers from a U.S. company's foreign subsidiary. Assuming a corporate tax rate of 28%, this could amount to a 30.8% tax rate on such profits.
- Implement strong rules against corporate inversions (when U.S. companies move their headquarters to other jurisdictions for tax purposes).
- Impose restructuring taxes on businesses that move U.S. headquarters offshore.
- Establish a "claw-back" provision to force a company to return public investments and deny all deductions and expensing write-offs for companies that move jobs overseas, if those jobs could have been offered to Americans.

Maintaining Jobs in the U.S.

- The "Made in America" tax policy would establish a 10% tax credit for companies making investments creating jobs for American workers and accelerating economic recovery.
- It will also apply when a company is increasing manufacturing wages above the pre-COVID-19 baseline for jobs paying up to \$100,000.
- The Biden campaign specifically mentions tax code changes that will encourage pharmaceutical production in the U.S.

Reshoring Jobs to the U.S.

- Double the tax rate on Global Intangible Low Tax Income (GILTI) earned by foreign subsidiaries of U.S. firms, from 10.5% to 21%.
- Made in America tax credit, cited on previous slide, would apply to reshoring investments as well.
- Made in America government purchase policy, although not tax, will encourage companies relying on the federal government as a customer to maximize domestic operations in order to qualify under procurement rules.



Financial Services Proposals



Unity Task Force Proposals

The majority of Biden's financial services proposals were developed by the Biden-Sanders Unity Task Force and released as part of the Task Force's set of policy recommendations. The proposals include the following:

- Provide real-time payment systems and bank accounts ("Fed Accounts") through the Federal Reserve;
- Provide banking services through the United States Postal System (USPS);
- Create a public credit reporting agency that will be used by all federal lending programs;
- Empower the Consumer Financial Protection Bureau to more effectively discipline bad actors;
- Enable antitrust regulators to review all mergers and acquisitions that took place under the Trump administration; and
- Strengthen the Dodd-Frank Wall Street Reform and Consumer Protection Act, particularly the provisions relating to oversight of investing, consumer lending and credit cards.



Bankruptcy Reform

Biden adopted Sen. Elizabeth Warren's comprehensive bankruptcy reform plan. The plan would reduce fees, streamline various bankruptcy processes and modify the current two-pronged bankruptcy system in favor of a single system that would be utilized by all consumers. Under the system, filers would be presented with a set of options for how to address their debts. Certain types of debt would remain non-dischargeable, although student loans would become eligible for discharge.



Trade Proposals

Biden has not released any formal trade proposals, but he has been a vocal opponent of President Trump's "erratic" trade disputes and pledged to implement more consistent policies if elected. Biden supports free trade as a way for the United States to lead on the global stage and has spoken in favor of agreements that protect American farmers and workers and boost exports. If elected president, Biden has promised to include strong labor and environmental protections in any new trade deal.



U.S.-China Trade

- Like the other 2020 Democratic candidates, Biden disagrees with President Trump's approach to negotiating a trade deal with China. Biden called the initial "phase one" trade agreement (signed by President Trump and Chinese Vice Premier Liu He on Jan. 15, 2020) "vague" and "weak," and said the deal represents a loss for the United States because it fails to address the fundamental flaws in the U.S.-China trade relationship.
- The former vice president is more concerned with China's unfair trade practices— including intellectual property (IP) theft and steel dumping— than with the United States' trade deficit with China. Biden has also expressed concern about China's aggressive behavior in the region and negative human rights record, and he has criticized President Trump for alienating U.S. allies who could help pressure and negotiate with China to change its approach.
- As president, Biden said he would push back on China's predatory behavior while seeking cooperation with Chinese officials to address climate change and nuclear nonproliferation.



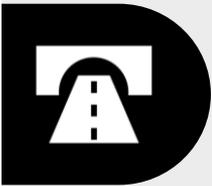
USMCA and TPP

- Biden voted in favor of the North America Free Trade Agreement (NAFTA) when he served in the Senate, and he has expressed support for the recently passed update to NAFTA, the U.S.-Mexico-Canada Agreement (USMCA). Biden also supported the Trans-Pacific Partnership (TPP), negotiated by the Obama administration.
- Fellow 2020 Democratic candidate Sen. Bernie Sanders (I-VT) has criticized Biden for his support of the free trade deals (as have some voters in the Midwest who saw waves of job losses after NAFTA was ratified), but Biden has continued to defend his position.



Infrastructure Proposals

In July 2020, Biden released a comprehensive and wide-ranging infrastructure plan that includes investments in traditional infrastructure projects, grid modernization and broadband expansion as well as a series of goals to reduce pollution and address environmental justice issues, among other items.



Highlights from Biden's \$2 Trillion Infrastructure Plan

- Update roads, bridges and electric grids;
- Expand access to broadband;
- Upgrade 4 million buildings and weatherize 2 million homes over four years by providing homeowners with direct cash rebates and low-cost financing;
- Provide cities with high-quality, zero-emissions public transportation options, such as light rail networks;
- Achieve a carbon pollution-free power sector by 2035;
- Enable the creation of 1.5 million sustainable homes and housing units;
- Create union jobs in the construction industry;
- Create 1 million jobs in the auto industry and increase the demand for American-made, American-sourced clean vehicles;
- Provide consumers with rebates for trading in old, less-efficient vehicles for newer America-made vehicles;
- Construct 500,000 electric vehicle charging stations;
- Require all new American-built buses be zero-emissions by 2030; and
- Establish new fuel economy standards to reduce pollution.



Environmental Proposals

Biden has expressed support for the Green New Deal and has unveiled his own **\$1.7 trillion** environmental plan, called the Clean Energy Revolution. It includes a number of ambitious goals but is somewhat less progressive than the proposals advanced by Sens. Elizabeth Warren (D-MA) and Bernie Sanders (I-VT). The four pillars of Biden's plan are outlined below.



Achieve 100% Clean Energy Economy by 2050

Biden aims to achieve a 100% clean energy economy and net-zero emissions by 2050 through executive orders and legislation:

- Executive Orders: require methane pollution limits for new and existing oil and gas operations; develop new fuel economy standards to fully electrify all new light- and medium-duty vehicles; set new appliance and building-efficiency standards; require companies to disclose climate risks and greenhouse gas (GHG) emissions; and permanently protect National Wildlife Refuge, enhance reforestation, and double offshore wind production by 2030.
- Legislative Goals: accelerate development of carbon capture technology; incentivize development of clean aerospace technology; build on the Recovery Act to reduce carbon emissions by 50% by 2035 for new buildings; direct the Department of Housing and Urban Development (HUD) to make low-income housing more efficient; establish the cross-agency Advanced Research Projects Agency for the climate (ARPA-C); and restore the full electric vehicle tax credit.



Invest in Infrastructure

- Build a new, safer Hudson River Tunnel and complete California high-speed rail project.
- Lower property insurance premiums for homeowners and communities that invest in climate resilience.
- Make a \$2 trillion accelerated investment to create good, clean energy jobs, secure domestic supply chains, support clean public transit, upgrade buildings and construct sustainable housing, achieve a carbon-free power sector and support environmental justice communities.



Environmental Proposals (Continued)



Demonstrate Leadership

- Recommit to the Paris Climate Agreement, Green Climate Fund, and embrace Kigali amendment to the Montreal Protocol.
- Stop China from subsidizing coal exports and outsourcing carbon pollution.
- Prohibit Ex-Im Bank and U.S. International Development Finance Corporation (USIDFC) from financing coal-fired plants.



Take Action against Fossil Fuels

- End federal subsidies for fossil fuel companies.
- Invest in coal communities as they transition to clean energy, and secure earned benefits for coal miners.



Single-Use Plastic Ban

- Although not a formal pillar of Biden's environmental plan, Biden is in favor of eliminating single-use plastic straws in the food service industry and phasing out other single-use plastics.



Budget Solvency and Income Inequality



- According to the CBO, if current laws do not change, the federal deficit will be roughly \$3.7 trillion in fiscal year 2020 and \$2.1 trillion in fiscal year 2021.



- Democratic policymakers will decide in 2021 that most legislation needs to be fully offset. Democrats will prefer raising revenue to cutting spending.



- At some point, policymakers will decide that revenue needs to be raised for the sole purpose of reducing the deficit.



- Assessment: In 2021, Democrats will begin paying for all legislation.
 - While an initial stimulus/COVID-19 bill may be unpaid for, subsequent bills to build the economy, expand health care, and address climate change are likely to be revenue neutral.