

## President Biden's American Jobs Plan: A Bold Mandate for Infrastructure Investment

April 5, 2021

On March 31, 2021, President Joe Biden unveiled the American Jobs Plan (the "Plan"), an eight-year, \$2 trillion investment to modernize and improve U.S. infrastructure, generate jobs and economic growth, and promote American national security interests. The proposed framework is a key step towards President Biden's goal of enacting his Build Back Better plan, including investments to modernize highways and railways, upgrade ports, expand electric vehicle (EV) infrastructure, upgrade water and energy infrastructure and expand broadband access. Alongside the American Jobs Plan, President Biden also proposed the Made in America Tax Plan, including revenue-raising provisions to support the \$2 trillion blueprint over the next 15 years. The Plan is high-level and did not include proposed legislative text.

### The American Jobs Plan

#### Transportation Infrastructure and Resilience

The Plan calls on Congress to invest \$621 billion in transportation infrastructure and resilience, including:

- \$115 billion to improve 20,000 miles of highways, roads and bridges.
- \$174 billion to build EV charging infrastructure and incentivize EV purchases, support the transition from diesel transit vehicles and electrify school bus United States Postal Service (USPS) fleets.
- \$85 billion to modernize and expand bus, rapid transit and rail services with the goal of reducing congestion and improving equitable access.
- \$80 billion to address Amtrak's repair backlog, modernize the high-traffic Northeast Corridor, improve and expand existing corridors and enhance passenger and freight rail safety.
- \$25 billion to upgrade airports, including funding for the Airport Improvement Program (AIP), Federal Aviation Administration (FAA) assets and a new program to support terminal renovations.
- \$17 billion for inland waterways, coastal ports, land ports of entry and ferries.

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- \$20 billion to increase road safety for all users, including a new Safe Streets for All Program to fund state and local “vision zero” plans to reduce crashes and fatalities.
- \$20 billion to ensure new projects increase opportunity and access, advance racial equity and enhance environmental justice.
- \$50 billion to increase infrastructure resilience against extreme weather events, including through grants and tax incentives.

### **Digital Infrastructure**

The Plan recommends \$100 billion to achieve universal high-speed and affordable broadband coverage, with priority for publicly owned broadband networks, and ensures funds are set aside for broadband infrastructure on Tribal lands. Moreover, the Plan calls for enhanced transparency and competition by requiring clear price disclosures and lifting barriers that favor private providers.

### **Power Infrastructure**

The Plan supports a \$100 billion investment to improve the electric transmission system with the goal of achieving carbon neutrality in the electricity generation sector by 2035. The Plan proposes that Congress develop a new Grid Deployment Authority at the Department of Energy to leverage existing rights-of-way along roads and railways and support creative financing tools to spur high priority, high-voltage transmission lines. The Plan also supports an Energy Efficiency and Clean Electricity Standard (EECES) to promote the more efficient use of existing infrastructure and leverage carbon pollution-free energy, such as nuclear and hydropower. The Plan also calls for:

- \$5 billion for the remediation and redevelopment of Brownfield and Superfund sites.
- An expansion of the Economic Development Administration Public Works program, including lifting the \$3 million cap on projects.

### **Health Care Infrastructure**

The Plan urges Congress to expand access to home and community-based services (HCBS) and extend the Money Follows the Person program that supports innovations in the delivery of long-term care under Medicaid. Specifically, he is calling on Congress to allocate \$400 billion toward expanding access to HCBS for seniors and people with disabilities.

### **Manufacturing Sector**

The Plan includes \$300 billion to support U.S. manufacturing, strengthen supply chains and increase access to capital for domestic manufacturers, including:

- \$50 billion to create a new office at the Commerce Department dedicated to monitoring domestic industrial capacity and funding investments to support the production of critical goods.
- \$46 billion in federal procurement dollars to promote the manufacturing of EVs, charging ports and electric heat pumps for residential heating and commercial buildings, and to develop advanced nuclear reactors and fuel.

- \$52 billion in capital access for domestic manufacturers, including an extension of the 48C tax credit program and the creation of a new financing program to support debt and equity investments for manufacturing.
- \$50 billion in semiconductor manufacturing and research, as called for in the Creating Helpful Incentives to Produce Semiconductors (CHIPS) for America Act ([H.R.7178](#) and [S.3933](#)).
- \$30 billion over four years for major new investments in medical countermeasures manufacturing, research and development (R&D) and related bio-preparedness and biosecurity, including investments to shore up the strategic national stockpile.
- \$14 billion for the National Institute of Standards and Technology to combine industry, academia and government to advance technologies critical to future competitiveness.
- \$31 billion to create a national network of small business incubators and innovation hubs, which provide small businesses in underserved communities access to credit, venture capital and R&D funding.
- \$5 billion for a new Rural Partnership Program to support economic development in Tribal nations and rural regions.

## Research and Development

The Plan urges Congress to increase its investment in research and development to lay the foundation for the future breakthroughs that create new businesses and jobs and increase exports, including:

- \$50 billion for the National Science Foundation to create a technology directorate to expand existing programs and focus on fields such as semiconductors, biotechnology and advanced computing, communications and energy technologies.
- \$40 billion to upgrade research infrastructure in laboratories and minority-serving institutions and universities.
- \$35 billion for research to address the climate crisis, including new methods for emissions reductions, building climate resilience, and climate science generally.
- \$15 billion to support demonstration projects for climate R&D priorities such as carbon capture and storage, floating offshore wind, biofuels, bioproducts, quantum computing and EVs, among others.

## Workforce Development

The American Jobs Plan aims to increase workforce development programs and improve racial and gender equity through a \$100 billion investment across various programs. Moreover, the Plan calls for the passage of the Protecting the Right to Organize (PRO) Act ([H.R.842](#)) to strengthen and protect the right of workers to join a union. Additionally, the Plan emphasizes the need for increased enforcement mechanisms to ensure workplace safety, health and nondiscrimination rules.

## Homes, Schools and Commercial Building

The Plan recommends a \$213 billion investment to produce, preserve and retrofit affordable housing through tax credits, formula funding and grants and project-based rental assistance. President Biden is advocating for \$27 billion to support a new Clean

Energy and Sustainability Accelerator to mobilize private investment in commercial and municipal buildings and clean transportation. Moreover, the Plan recommends \$18 billion for the modernization of Veterans Affairs (VA) hospitals and clinics and \$10 billion for the modernization and resilience of federal buildings, including through a Federal Capital Revolving Fund to support investment in the purchase, construction or renovation of federal facilities.

Additionally, President Biden is urging Congress to modernize K-12 and community college facilities, including prioritizing safety, equity and energy efficiency.

### **The Made in America Tax Plan**

To help support the American Jobs Plan, President Biden has proposed corporate tax changes that include the following:

- Increase the top federal corporate income tax rate to 28 percent, up from the current 21 percent as provided in the Tax Cuts and Jobs Act. The rate prior to the 2017 change was 35 percent.
- Double the Global Low Tax Intangible Income (GILTI) rate from 10.5 percent to 21 percent, and transition to calculating the tax on a country-by-country basis.
- Eliminate the exemption for qualified business asset investment (QBAI).
- End the foreign-derived intangible income (FDII) deduction.
- Tighten anti-inversion rules and limit deductions for offshoring.
- Apply a minimum 15 percent tax rate on income reported on financial statements for corporations with \$100 million or more in net income that pay little to no federal income tax.
- Limit fossil fuel preferences and restore dedicated taxes on the petroleum and chemical industries to fund the Superfund Trust Fund.
- Provide resources for the Internal Revenue Service (IRS) to better enforce tax laws and perform more efficient audits on large corporations.

Congress ultimately must introduce legislation to accomplish President Biden's objectives. The scope of such legislation is not clear, although Democratic leaders have coalesced around advancing an infrastructure bill. It is also not clear whether there will be a separate transportation-specific bill and whether it will move before or after a broader infrastructure bill.

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