

What's in President Biden's American Jobs Plan?

At the end of March 2021, President Joe Biden [introduced](#) a new infrastructure proposal—titled the American Jobs Plan—which is focused on reestablishing the country's economy. This proposal is the second component of the Biden Administration's larger, three-part infrastructure package, known as the [Build Back Better Plan](#).

The American Jobs Plan is preceded by the [American Rescue Plan](#) and will eventually be followed by the American Families Plan. While the American Rescue Plan is currently providing direct relief to individuals and businesses affected by the COVID-19 pandemic, the American Jobs Plan is intended to help revitalize the national economy for years to come.

Specifically, the main goals of the American Jobs Plan are to develop millions of jobs across industry lines, rebuild the country's infrastructure and place the United States in a position to compete with China. This plan—which is requesting approximately \$2 trillion over the course of eight years—consists of seven key policy elements. Review the following article for a summary of these elements and next steps for the Build Back Better Plan.

KEY ELEMENTS OF THE AMERICAN JOBS PLAN

Each of the seven major policy elements contained in the American Jobs Plan includes various provisions that would affect both individuals and businesses of varying sectors. Here's an outline of each policy element, as well as key takeaways from each element:

1. *Modernizing Transportation*

The first element of the American Jobs Plan focuses on establishing a world-class transportation infrastructure throughout the country. This element includes fixing highways, rebuilding bridges, renewing airports and upgrading public transit systems. A total of \$621 billion would be allocated to this policy element, which includes:

- \$115 billion to modernize 20,000 miles of highways, rebuild over 10,000 bridges that provide essential connections between communities and fix numerous main roads in need of significant construction or repairs
- \$20 billion to improve existing programs and generate additional plans aimed at bolstering road safety
- \$85 billion to upgrade and expand current public transit systems to adequately meet rider demand
- \$105 billion to address a public transit repair backlog of over 24,000 buses, 5,000 rail cars, 200 stations and thousands of miles of power systems
- \$80 billion to tackle Amtrak's repair backlog, renovate existing rail corridors, create new city connections and enhance programs that support safe and efficient freight rail services
- \$25 billion to renovate airport terminals, develop multimodal connections, fund the Airport Improvement Program and make upgrades to the Federal Aviation Administration

Provided by VANTREO Insurance Brokerage

This article is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel or an insurance professional for appropriate advice. © 2021 Zywave, Inc. All rights reserved.

- \$17 billion to improve inland waterways, coastal ports and land ports, as well as minimize the impact of air pollution on communities located near such ports
- \$174 billion to boost the U.S. electric vehicle (EV) market, promote EV-related jobs, establish a national network of half a million EV chargers by 2030, encourage American consumers to purchase EVs through tax incentives and point-of-sale rebates, and begin electrifying both commercial and federal fleets

2. Providing Clean Drinking Water, a Renewed Power Infrastructure and High-speed Broadband

The second element of the American Jobs Plan centers around delivering clean drinking water to all Americans, putting hundreds of thousands of individuals to work in the process of revamping the nation's power infrastructure and offering affordable, high-speed broadband across the country. A total of \$311 billion would be allocated to this policy element, which includes:

- \$111 billion to ensure clean drinking water for every American by way of:
 - Replacing 100% of the nation's lead pipes and service lines
 - Repairing and upgrading aging water systems in disadvantaged communities
 - Investing in rural small water systems, wastewater systems and stormwater systems
 - Monitoring contaminants within water systems (e.g., per- and polyfluoroalkyl substances)
- \$100 billion to reenergize the country's power infrastructure through the process of:
 - Promoting a more resilient electric transmission system and incentivizing the buildout of high-voltage power lines
 - Having current energy industry employees assist in plugging orphaned oil and gas wells, as well as cleaning abandoned mines
 - Creating new jobs based on the development of clean energy and transitioning the nation to 100% carbon pollution-free power sources by 2035
- \$100 billion to provide affordable, high-speed broadband by way of:
 - Establishing "future-proof" broadband capabilities in underserved communities to help reach 100% coverage across the nation
 - Supporting broadband networks that are owned or operated by local governments or nonprofit organizations
 - Lifting various broadband industry barriers to ensure price transparency and fair competition among internet providers
 - Reducing internet-related expenses throughout the country

3. Creating Resilient Residential and Commercial Properties

The third element of the American Jobs Plan focuses on building, preserving and retrofitting both residential and commercial properties across the nation to be affordable, accessible and energy-efficient. This element also centers around providing such property improvements to schools, child care facilities, hospitals and federal buildings. A total of \$378 billion would be allocated to this policy element, which includes:

- \$213 billion to build, preserve and retrofit over 2 million sustainable and affordable properties (both residential and commercial) through the process of:

- Creating various grants and tax credits that eliminate barriers to affordable housing and extend rental opportunities to underserved communities
- Addressing life safety concerns, reducing imminent hazards to residents and adopting energy efficiency measures within the nation's public housing infrastructure
- Enacting the Neighborhood Homes Investment Act to foster the construction and rehabilitation of half a million homes across the country
- Offering new programs and expanding tax credits that encourage residential and commercial property owners to promote energy efficiency
- \$137 billion to upgrade schools and learning facilities nationwide by way of:
 - Renovating and constructing new public schools
 - Minimizing both the physical and technological gaps present within community colleges
 - Modernizing existing child care facilities and increasing the availability of child care in communities that need it
 - Offering a tax credit that motivates employers to provide child care facilities in the workplace
- \$28 billion to support the renovation of Veterans Affairs hospitals and clinics, as well as ensure the sustainability of federal buildings

4. Supporting the Home Care Industry

The fourth element of the American Jobs Plan prioritizes improvements within the home care sector. A total of \$400 billion would be allocated to this policy element, which can be broken down into several main initiatives.

First, the funding of this element would help expand access to high-quality and affordable home- or community-based care for elderly individuals and those with disabilities. The funding of this element would also support the extension of Medicaid programs and the continued advancement of long-term care options. Lastly, the funding of this element would provide added support to existing home care employees (e.g., improved benefits), as well as establish new career opportunities within the caregiving industry.

5. Investing in Technology, Advancing the Manufacturing Sector and Developing a Skilled Workforce

The fifth element of the American Jobs Plan centers around numerous investments in the country's research and development (R&D) capabilities—thus supporting widespread technological advancements, the revitalization of the manufacturing industry and the development of a more skilled workforce. A total of \$580 billion would be allocated to this policy element, which includes:

- \$180 billion to foster technological advancements across industry lines (e.g., communications technology, energy technology and biotechnology) by way of:
 - Collaborating with the National Science Foundation to create new technology-based programs and build on existing programs
 - Developing increased R&D job opportunities in rural communities
 - Upgrading technology offerings and capabilities at research laboratories across the country
 - Supporting climate-based research projects and investigating technological developments related to climate change solutions
- \$300 billion to advance the national manufacturing industry through the process of:

- Establishing a new office at the Department of Commerce that is specifically focused on monitoring the country's industrial capacity
- Supporting manufacturing-related research and developing medical countermeasures to prevent job losses in the sector from a pandemic or other biological threat
- Establishing innovation hubs in urban and rural communities to help fuel manufacturing-related career opportunities
- Utilizing federal buying power to boost national manufacturing efforts for a wide range of products (e.g., EVs, charging ports, clean energy options and electric heat pumps for both residential and commercial properties)
- Creating programs to strengthen the resiliency of manufacturing supply chains across the country
- \$100 billion to establish a more skilled workforce by way of:
 - Providing millions of additional apprenticeships and pre-apprenticeships nationwide, as well as simplifying access to these career opportunities for all demographics
 - Creating workforce development initiatives within underserved communities (e.g., violence prevention programs)
 - Developing programs that support further industry-based training for all employees
 - Removing sub-minimum wage provisions from the Fair Labor Standards Act

6. Ensuring Safe and Supportive Work Environments

The sixth element of the American Jobs Plan focuses on protecting American workers. Specifically, this policy element would implement changes to ensure that employees of all demographics have access to a safe working environment and good-paying job opportunities.

This policy element would also utilize the Protecting the Right to Organize Act to give employees the free and fair choice to organize or join a union, as well as bargain with their employers. Further, this policy element would introduce increased penalties for employers who fail to provide a safe and supportive workplace for their employees.

7. Implementing a New Tax Plan

The final element of the American Jobs Plan outlines changes to the corporate tax code. These changes—which make up the Made in America Tax Plan—aim to encourage the creation of both job and investment opportunities within the United States. Key aspects of the Made in America Tax Plan include:

- Elevating the corporate tax rate from 21% to 28%
- Revising the global intangible low-taxed income regime in a way that increases the global minimum tax on U.S. corporations to 21% on a country-by-country basis
- Establishing a global agreement that ensures other countries also adopt strong minimum taxes on corporations, as well as denying deductions for payments made to a corporation located in a country that does not follow the agreement
- Utilizing various policies to prevent corporations from engaging in tax inversions
- Removing tax incentives related to foreign-derived intangible income, denying deductions for offshoring jobs and eliminating any tax preferences for the fossil fuel industry

- Developing a 15% tax on corporate book income (the income utilized by corporations to report their profits to investors)
- Allocating additional resources to the Internal Revenue Service in an effort to increase its enforcement capabilities and more effectively promote federal tax regulations

NEXT STEPS FOR THE BUILD BACK BETTER PLAN

When (or if) the American Jobs Plan will be passed and signed into law depends on how quickly it can gather support in Congress. Yet, current estimates suggest that this proposal could be enacted in just a few months, potentially during the mid-to-late summer.

In terms of next steps for the Build Back Better Plan as a whole, the American Families Plan—which is the final proposal included in the larger, three-part infrastructure package—is expected to be released in the coming weeks. This proposal will outline the Biden Administration’s plan for supporting the middle class and ensuring all American families have the resources necessary to maintain financial stability.

For additional updates and resources, contact us today.