

Taxwriters plan hearings on international tax, infrastructure health care

As the Biden administration prepares to build out its tax policy agenda, Senate Finance Committee Chairman Ron Wyden, D-Ore., this week announced plans to hold a hearing on international taxation and House Ways and Means Committee Chairman Richard Neal, D-Mass., scheduled a “Members’ Day” hearing on infrastructure tax issues. The Ways and Means Oversight Subcommittee, meanwhile, intends to look at the role of private equity in the US health care system.

International tax

The Finance Committee hearing, which is scheduled for March 25 at 9:30 a.m., will focus on “how US international tax policy impacts American workers, jobs, and investment.”

Witnesses announced as of press time include Kimberly Clausing, Treasury deputy assistant secretary for tax analysis; Pam Olson, former Treasury assistant secretary for tax policy; Chye-Ching Huang of the Tax Law Center at the New York University School of Law; and James R. Himes, Jr., a professor of law and economics at the University of Michigan.

President Biden based the economic planks of his 2020 campaign on the premise that large corporations and wealthy individuals should be paying “their fair share” in taxes. To that end, he called for higher top income tax rates along with “base broadeners” that would limit or eliminate various tax incentives currently available to these taxpayers. Notable campaign proposals that would affect multinational businesses include increasing the corporate tax rate, increasing the rate on global intangible low taxed income (GILTI) and making other changes to tighten the GILTI rules, denying deductions associated with moving jobs and production offshore, and implementing “strong anti-inversion regulations and penalties.” In the coming weeks, the administration is planning to release its budget proposal for fiscal year 2022, along with a “Green Book” from the Treasury Department providing more detail on individual and business tax proposals.

For his part, Finance Committee Chairman Wyden has indicated that he intends to release a white paper in the near term detailing the direction he plans to take on international tax and other tax policy issues. It is not clear whether that release will be tied to the upcoming hearing.

Infrastructure

Across the Capitol, the Ways and Means Committee’s upcoming Members’ Day hearing – which will be held on March 23 at 10:00 a.m. – is intended to give House lawmakers (taxwriters and non-taxwriters alike) an opportunity to discuss their legislative priorities regarding a potential infrastructure bill. President Biden intends to make infrastructure a significant component of his next major fiscal initiative, a COVID-related economic recovery package dubbed the “Build Back Better” plan.

The format of Members’ Day hearings allows House members to present their views on an issue but generally does not allow for debate or for follow-up questions from committee members.

Democrats and Republicans at a recent Ways and Means Select Revenue Measures Subcommittee hearing generally agreed on the need to strengthen current-law tax incentives intended to promote infrastructure investments and economic development – for example, by enhancing options for tax-advantaged municipal bonds and permanently extending the new markets tax credit. (For prior coverage, see *Tax News & Views*, Vol. 22, No. 12, Mar. 12, 2021.)

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/210312_2.html

In a related development, the House Transportation and Infrastructure Committee announced this week that it will hold its own Members’ Day hearing on infrastructure – scheduled for April 14 at 11:00 a.m. – that will focus on issues under that panel’s jurisdiction.

The White House is expected to unveil the Build Back Better plan later this year. The president has indicated that it could be financed in part by permanent tax increases on large corporations and affluent individuals.

Private equity and health care

Also this week, the House Ways and Means Oversight Subcommittee announced that it has scheduled a hearing on “private equity’s expanded role in the US health care system” for March 25 at 1:00 p.m. A witness list was not available at press time.

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