

Biden to release ‘Build Back Better’ outline, preliminary FY 2022 spending request

President Biden is expected in the coming week to unveil an outline of his “Build Back Better” plan and send Congress his discretionary spending request for fiscal year 2022.

Build Back Better

White House Press Secretary Jen Psaki told reporters this week that the president will lay out details of the Build Back Better plan, his proposed COVID-19 economic recovery initiative, during a speech in Pittsburgh scheduled for March 31.

Although specifics have remained under wraps, press reports indicate the plan may be split into two components: a \$2 trillion package emphasizing infrastructure and clean energy that would be offset with corporate tax increases and a separate \$1 trillion package focused on what the administration has called the “caring economy” (addressing issues such as child care costs and access to universal pre-kindergarten programs) that would be paid for through tax increases on upper-income individuals.

Details on any proposed tax incentives and revenue offsets are likely to be kept at a fairly high level in the initial rollout. The Biden administration is expected to include a robust set of tax and spending proposals in the fiscal year 2022 budget blueprint that it will send to Congress in the coming weeks. Treasury Department officials have indicated that the budget release will be accompanied by a “Green Book” providing a detailed explanation of individual and business tax proposals.

Congress will be responsible for turning the administration’s proposals into legislative language.

Discretionary spending

The administration’s discretionary spending request for fiscal year 2022 reportedly will be released on April 1. Office of Management and Budget spokesman Rob Friedlander said March 23 that the request is intended to “provide Congress with early information about the president’s discretionary funding priorities, which is what they need to begin the appropriations process.”

The release of a preliminary budget outline is typical in the first year of a new presidential administration. Friedlander said the more detailed budget plan the White House eventually releases “will show how [the president’s] full agenda of investments and tax reforms fits together in a fiscally and economically responsible plan to address the overlapping crises we face.”

— Michael DeHoff
Tax Policy Group
Deloitte Tax LLP

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.