

Crisis averted: Democrats lift debt limit through 2022

Congress this week approved and President Biden signed into law a resolution (S.J. Res. 33) that increases the federal statutory borrowing cap by \$2.5 trillion (to roughly \$31 trillion), an amount likely sufficient to ensure the nation can continue to pay its bills until after the November 2022 mid-term elections.

URL: <https://www.congress.gov/bill/117th-congress/senate-joint-resolution/33/text>

The Senate cleared the debt limit increase on December 14 on a party-line 50-49 vote, and the House followed suit shortly after midnight that evening, passing the bill 221-209. (Just one House Republican, Rep. Adam Kinzinger of Illinois, broke ranks to vote in favor of the measure.) President Biden signed the measure on December 16, averting a potential default which the Treasury Department had warned could occur sometime after December 15 if lawmakers left the issue unaddressed. (The most recent prior long-term suspension of the debt ceiling expired in July. Treasury used so-called “extraordinary measures” for several weeks thereafter to keep the nation’s debt under the statutory limit, and lawmakers approved a small—\$480 billion—increase in October that Treasury said was sufficient to keep the government afloat into this month.)

This week’s actions fulfill a plan recently hatched by Senate Majority Leader Charles Schumer, D-N.Y., and Senate Minority Leader Mitch McConnell, R-Ky., to resolve a partisan standoff over the debt limit in that chamber by providing a one-time, time-limited window during which congressional Democrats could move a debt limit increase under a parliamentary process shielded from the possibility of a filibuster. (For prior coverage of the Schumer-McConnell deal, and the context that led to its enactment, see *Tax News & Views*, Vol. 22, No. 53, Dec. 10, 2021.)

URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211210_2.html

— Alex Brosseau
Tax Policy Group
Deloitte Tax LLP

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