

## Manchin declares himself a ‘no’ on Build Back Better

Prospects for near-term enactment of the Build Back Better Act, President Biden’s \$1.75 trillion tax-and-spending package that congressional Democrats are attempting to move through Congress under fast-track budget reconciliation rules, appeared to dim December 19 when Sen. Joe Manchin, D-W.Va., publicly announced that he would not support advancing the legislation.

The measure includes significant tax increases impacting large corporations and high-income individuals to pay for lower- and middle-class tax relief and fund new spending for White House priorities such as expanded access to pre-kindergarten education, child care and elder care, and affordable housing, as well as programs to mitigate climate change.

Because the Build Back Better Act is a budget reconciliation bill, it is shielded from a filibuster in the Senate, thus making it possible for Democrats to pass it without Republican support. But Democrats control only 50 seats in the chamber and will need all of those votes—plus the tie-breaking vote of Vice President Kamala Harris—to get it across the finish line, given that all 50 Senate Republicans are expected to remain united in opposition. That dynamic means that Sen. Manchin or any other Democrat in the chamber who withholds support for the legislation can prevent it from moving forward.

### Last week’s reservations

The House approved the Build Back Better Act on November 19, and Senate Majority Leader Charles Schumer, D-N.Y., had hoped to have his chamber vote on its version of the bill by Christmas. But that plan was upended in recent days after Manchin reached an apparent impasse with the White House over some of the structural underpinnings of the measure.

Specifically, Manchin expressed concerns about the inflationary impact of the legislation and warned against the use of what he has described as “budget gimmicks” such as offering certain popular spending programs and tax incentives—notably, an extension of the enhanced child tax credit—on a short-term basis when they are almost certain to be renewed for longer periods and therefore will be more expensive in the long run. (Senate leaders also still need time resolve some open policy issues such as changes to the current-law cap on the deduction for state and local taxes and to satisfy certain procedural requirements for advancing the legislation. For additional background, see *Tax News & Views*, Vol. 22, No. 55, Dec. 17, 2021.)

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211217\\_1.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211217_1.html)

Biden issued a statement on December 16 in which he acknowledged that the policy differences with Manchin, along with the other procedural issues in the Senate, would push action on the Build Back Better legislation into 2022; but he appeared hopeful that a resolution would be in hand relatively early in the new year.

“My team and I are having ongoing discussions with Sen. Manchin; that work will continue next week. It takes time to finalize these agreements, prepare the legislative changes, and finish all the parliamentary and procedural steps needed to enable a Senate vote. We will advance this work together over the days and weeks

ahead; Leader Schumer and I are determined to see the bill successfully on the floor as early as possible,” the president said.

### **This week’s opposition**

Manchin appeared to reject the notion of a quick resolution, however, when he declared in a December 19 interview with Fox News and in a more detailed statement subsequently posted on his Senate website that he is opposed to the measure.

**URL:** <https://www.manchin.senate.gov/newsroom/press-releases/manchin-statement-on-build-back-better-act>

“I have always said, ‘If I can’t go back home and explain it, I can’t vote for it,’” Manchin said in his written statement. “Despite my best efforts, I cannot explain the sweeping Build Back Better Act in West Virginia and I cannot vote to move forward on this mammoth piece of legislation.”

In laying out his position, Manchin argued, among other things, that the measure would make the nation more vulnerable to threats arising from the COVID-19 pandemic, inflation, and the federal deficit.

“I cannot take that risk with a staggering debt of more than \$29 trillion and inflation taxes that are real and harmful to every hard-working American at the gasoline pumps, grocery stores, and utility bills with no end in sight,” he said.

Manchin also reiterated his view that lawmakers’ reliance on short-term spending initiatives and tax incentives in the Build Back Better Act serve to “camouflage the real cost of the intent behind this bill.”

### **White House response**

The White House, for its part, disputed Manchin’s characterization of the bill in a statement released December 19 by Press Secretary Jen Psaki.

**URL:** <https://www.whitehouse.gov/briefing-room/statements-releases/2021/12/19/statement-from-press-secretary-jen-psaki-4/>

“Build Back Better lowers costs that families pay,” Psaki said. “It will reduce what families pay for child care. It will reduce what they pay for prescription drugs. It will lower health care premiums. And it puts a tax cut in the pockets of families with kids. If someone is concerned about the impact that higher prices are having on families, this bill gives them a break.”

Psaki also repeated the administration’s position that “the plan is fully paid for, is the most fiscally responsible major bill that Congress has considered in years, and reduces the deficit in the long run.”

Psaki emphasized that the administration remains committed to advancing the Build Back Better Act, although she did not lay out a specific path forward or a timeline for action.

“The fight for Build Back Better is too important to give up. We will find a way to move forward next year,” she said.

### **What’s next in Congress?**

The House and Senate are now in recess, apart from pro forma sessions, until after the first of the year, so further action on the legislation most likely will unfold behind the scenes until both chambers resume operations in January. (The Senate is scheduled to be back in session on January 3 and the House is set to return on January 10.)

In a December 20 “Dear Colleague” [letter](#) to Senate Democrats, Majority Leader Schumer was adamant that Build Back Better remains on the chamber’s post-recess agenda.

**URL:** [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211220\\_1\\_suppA.pdf](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211220_1_suppA.pdf)

“We are going to vote on a revised version of the House-passed Build Back Better Act,” he said, “and we will keep voting on it until we get something done.”

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