White House FY 2024 budget blueprint expected March 9

The White House is expected to release its budget request for fiscal year 2024 on March 9, according to a memorandum prepared by outgoing National Economic Council Director Brian Deese and Office of Management and Budget Director Shalanda Young ahead of a February 1 meeting between President Biden and House Speaker Kevin McCarthy, R-Calif., to discuss federal spending and the debt ceiling. White House Press Secretary Karine Jean-Pierre confirmed the administration's plans around the budget release during a briefing to reporters on February 2.

A toothless statutory deadline

The anticipated March 9 delivery date blows past the statutory requirement in the Budget and Accounting Act of 1921 that every presidential administration send Congress its budget request for the upcoming fiscal year no later than the first Monday in February, which this year falls on February 6. In practice, the statutory deadline often goes unmet—the Trump, Obama, and George W. Bush administrations all had overdue budget submissions on their respective records, for example—and there is no penalty for late delivery of a budget.

The Biden administration released its blueprint for fiscal year 2023 on March 28 of last year, and Congress did not finalize a budget agreement until late last December, more than two months after the start of the fiscal year on October 1. The roughly $1.7 trillion omnibus budget package, which President Biden signed into law on December 29, included only a limited tax title focusing primarily on retirement security provisions that build on earlier retirement legislation that was enacted in 2019. (For additional details on the omnibus measure, see *Tax News & Views*, Vol. 23, No. 44, Dec. 23, 2022.)
URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/TNV/221223_1.html

Although it has not been confirmed by the White House, the budget blueprint presumably will be accompanied by a "Green Book" from the Treasury Department, which will provide more granular discussion of the administration's tax and revenue policies and their projected impact on federal receipts. Details in the Green Book are likely to influence any subsequent legislation that is marked up in the congressional taxwriting committees and moves through Congress.

Hints of possible tax priorities

The president may offer a preview of what will be included in his upcoming budget request when he delivers his State of the Union message before a joint session of Congress on February 7.

Biden already dropped some breadcrumbs regarding his fiscal policy priorities in the economic blueprint that he released last September ahead of the 2022 congressional midterm elections. That document, which addresses tax at a very high level, calls for revisiting many of the revenue-raising provisions targeting businesses and upper-income individuals (generally, those with incomes greater than $400,000) that were left out of the Inflation Reduction Act, (P.L. 117-169), the roughly $740 billion tax, spending, and deficit-reduction

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package that moved through a Democratic-controlled House and Senate under fast-track budget reconciliation rules this past August with no support from congressional Republicans.
URL: https://www.whitehouse.gov/wp-content/uploads/2022/09/Biden-Economic-Blueprint-Report-720PM-MASTER-DOC.pdf

The economic blueprint also calls for rescinding certain tax cuts for businesses and upper-income individuals that were enacted in the Tax Cuts and Jobs Act of 2017 (TCJA, P.L. 115-97), the massive tax relief budget reconciliation measure that moved through a Republican-controlled Congress without Democratic support and was signed into law by then-President Trump. Many of those TCJA provisions—primarily on the individual side of the tax code—are set to expire after 2025.

Budget as messaging vehicle

Many of the president's tax priorities for the coming fiscal year are likely to be embraced in the Senate, where Democrats hold the majority, but fall flat in the Republican-controlled House of Representatives. House Republicans, in line with the Commitment to America platform laid out last September by now-Speaker Kevin McCarthy, are expected to pursue legislation this year that would permanently extend the temporary provisions in the TCJA, as well as enhance certain business-focused provisions in that measure, such as more generous bonus depreciation rules.
URL: https://www.speaker.gov/commitment/

Newly minted House Ways and Means Committee Chairman Jason Smith, R-Mo., reiterated the GOP's policy agenda in his opening statement at the panel's organizational meeting for the 118th Congress this week.
URL: https://waysandmeans.house.gov/chairman-smith-opening-statement-118th-congress-organizational-meeting/

By putting Republicans in charge of the House in the 2022 congressional midterms, Smith said, voters rejected what he characterized as two years of "higher taxes, raging price hikes, and lower wages." His goal as Ways and Means chairman, he added, is to "[build] on successful tax reforms that reduced the tax burden on families and small businesses, fueled the best economy in 50 years before COVID struck, and more recently sent federal revenues to historic highs."

Any House-passed measures to extend or enhance the TCJA are expected to be ignored once they reach the other side of the Capitol and likely would prompt a veto threat from the president, however.

Given the dynamics of divided government in Washington, the administration's budget blueprint and the tax proposals that emerge from Republicans in the 118th Congress may wind up serving largely as messaging vehicles for each party to tout its respective tax policy platform and make the case for why voters should give it unified control of Capitol Hill and the White House in the 2024 elections.

— Michael DeHoff
Tax Policy Group
Deloitte Tax LLP

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