

Post-Election Webinar Series

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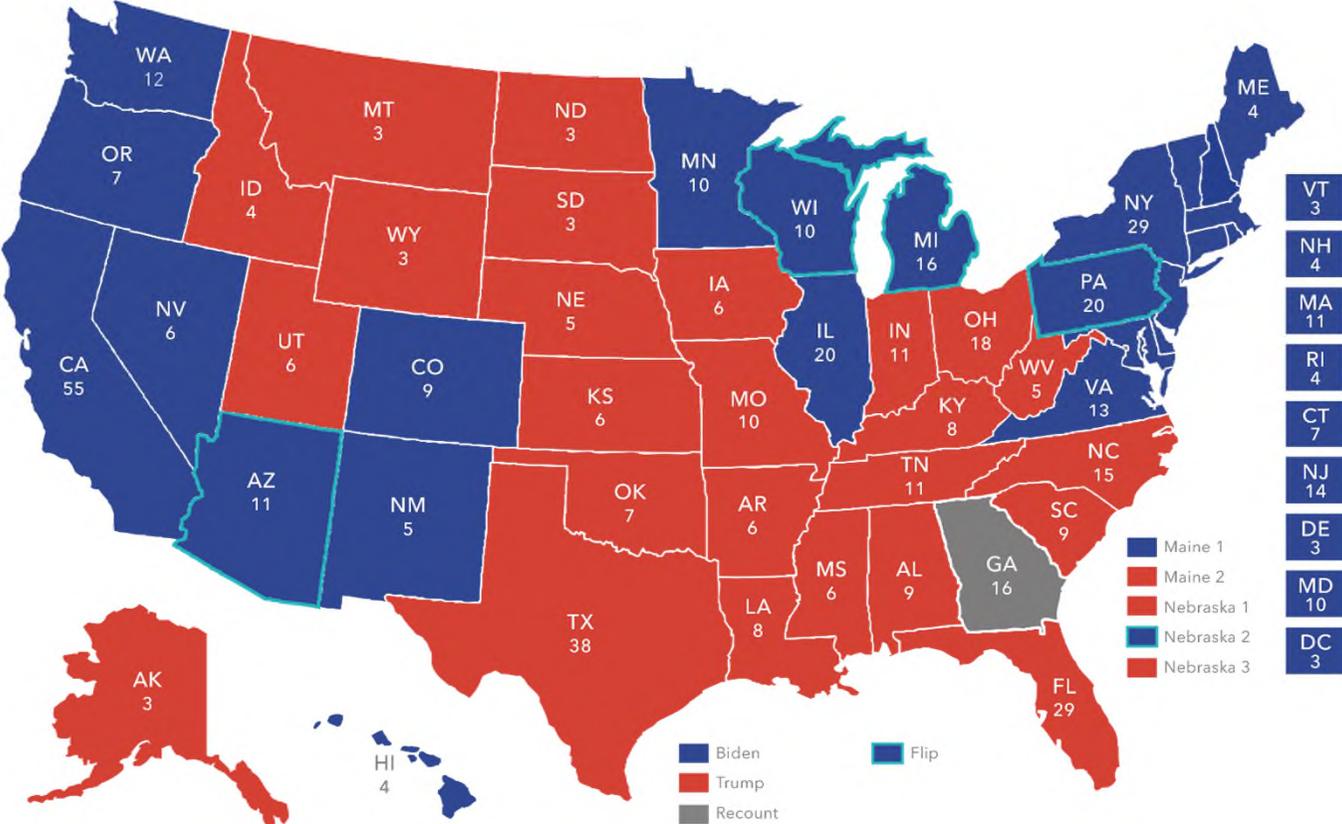
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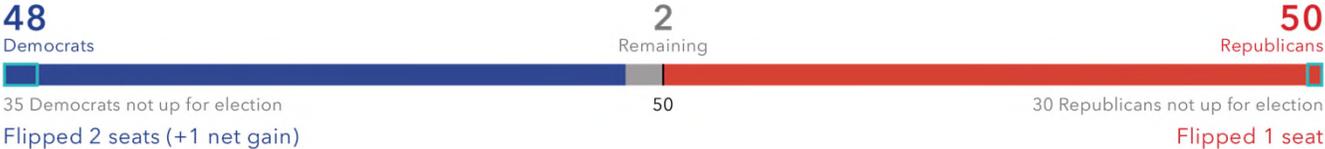
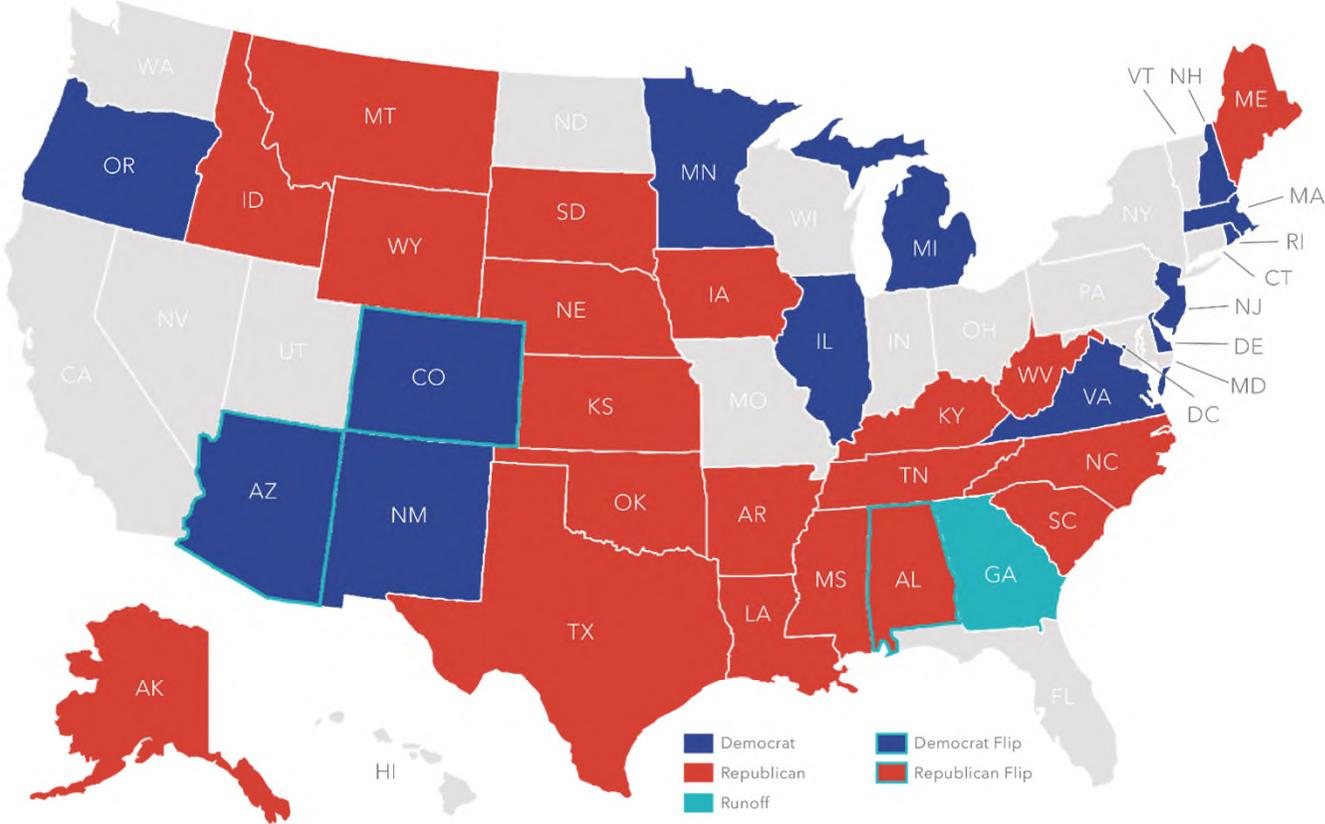
The 2020 Election – President-Elect Biden at 290

- President-Elect Joe Biden is the projected winner with 290 votes. President Trump has 232 votes but has yet to concede.
- Georgia is going to a recount. Pennsylvania is being litigated, and President Trump wants to prohibit PA from certifying the election.



The 2020 Election – The U.S. Senate: Undecided

- Control of the United States Senate has not been determined yet.
- Republicans were able to flip Alabama and hold Montana and Iowa.
- Democrats flipped Arizona and Colorado.
- There will be two runoffs in Georgia that will determine the majority in the U.S. Senate.



The 2020 Election – The Next 60 Days

The Election Fight, Continuing Resolution, and COVID-19 Stimulus Bill

- How long could it take to finalize the results of the presidential election?
- Georgia January runoff elections
- The government runs out of funding on December 11
- Will Democrats and Republicans work to finish a COVID-19 bill and combine with a CR or wait until 2021?
- Will Trump sign any bill coming to him?



The 117th Congress

House of Representatives



Rep. Nancy Pelosi (D-CA)

House Committee Chairs



Unknown
House Appropriations



Rep. Richard Neal (D-MA)
House Ways and Means



Rep. Frank Pallone (D-NJ)
House Energy and Commerce



Rep. Maxine Waters (D-CA)
House Financial Services

U.S. Senate



Sen. Mitch McConnell (R-KY)

Senate Committee Chairs



Sen. Richard Shelby (R-AL)
Senate Appropriations



Sen. Mike Crapo (R-ID)
Senate Finance



Sen. Roger Wicker (R-MS)
Senate Commerce, Science, and Transportation



Sen. Patrick Toomey (R-PA)
Senate Banking

Topics

- Tax Policy
- Tech Policy
- COVID-19 Response
- Healthcare
- Climate Change
- Infrastructure
- Trade and International Engagement
- Immigration
- Labor Policies

Biden: Key Business Tax Proposals

Domestic tax proposals

- Increase corporate tax rate to 28%
- 15% corporate AMT on book income with net income above \$100 million (greater of)
- Expand 12.4% payroll tax on wages above \$400,000 (w/no tax between \$142,800 and \$400,000)
- Repeal various provisions in Tax Cuts and Jobs Act

International tax proposals

- Double GILTI rate from 10.5% to 21% (and from 13.125% to 26.25% in 2026)
 - Apply on jurisdictional instead of aggregate basis
- “Offshoring tax penalty” – 10% surtax on U.S. companies’ overseas profits for sales to the U.S. (30.8% rate)
- “Made in America” Tax Credit – 10% advanceable credit to companies that create jobs
- More stringent inversion legislation (Stop Corporate Inversions Act) and regulations
- Delay deductions and expensing write-offs for moving jobs or production overseas

Reform tax “loopholes” in real estate industry – section 1031 exchanges

Targeted tax credits (manufacturing community, new markets, etc.) to low-income communities

Climate-related proposals

Battle for Control of the Senate

GOP: Incumbents exceeded polling projections

Currently: 50 GOP to 48 Democrats

Georgia

- Two runoff Senate elections on January 5
- A GOP victory in either runoff will preserve Senate GOP majority
 - Perdue (R) leads Ossoff (D) 49.7% to 47.9% (Libertarian candidate received 2.3% of the vote)
 - Warnock (D) leads Loeffler (R) 32.9% to 25.9%
- Unprecedented amounts of campaign contributions will be pouring into the Georgia Senate races

2020 Election: Status of House Races

116th Congress

- 232 Democrats
- 197 GOP
- 1 Libertarian, 5 vacancies

2020 Election

- 219 Democrats
- 207 GOP
- GOP flipped 13 seats, Dems 3 – net GOP gain of 10+ seats
 - MI 3 flipped from Libertarian to GOP

9 races still undecided

- GOP lead 6 races
 - Dem. Incumbent: CA 21, NY 22
 - Other close races: CA 25, IA 2
 - NY 1, NY 2 likely go to GOP incumbents
- Democrats lead 3 races
 - NY 18, NY 19, NJ 7
 - All Democrat incumbents

Biden and a GOP Senate

Post-election (“lame duck”) session

- Senate focus on judicial confirmations
- Funding government operations beyond December 11
 - Continuing Resolution or Omnibus Appropriations package
 - Possible inclusion of tax extenders and retirement package
- Another COVID-19 relief package?
- President Trump’s agenda?

117th Congress

- Key Biden tax initiatives stymied (rollback of TCJA and higher taxes on wealthy & businesses)
- Focus on tax proposals with bipartisan support (e.g., child tax credit, enhanced R&D credit)
- Bipartisan infrastructure package?
 - Biggest obstacle – paying for the package

Much greater emphasis on regulatory initiatives

Passing Major Tax Legislation: Reconciliation

Absent a supermajority (60 votes), any new tax legislation would likely have to pass the Senate through the reconciliation process.

Reconciliation restricts the Senate's right to unlimited debate (eliminating the 60-vote threshold) — thus, the contents of a reconciliation bill are tightly controlled.

Any senator can move to strike language that is considered “extraneous” by raising a point of order under the Byrd Rule (section 313 of the Congressional Budget Act).

- The Byrd Rule is a set of six character tests that evaluate whether the primary purpose of a provision is “budgetary.”
 - Character tests are mostly objective (numbers-based)

Tech Policy

Biden Administration

- \$400 billion for R&D
- Potential push to split up big tech companies
- Billions for broadband deployment to underserved and unserved markets

COVID-19 Response

Biden Administration

- Federalized testing and mask policies
- Continued push for vaccine (rename Warp Speed)
- More money from Congress via a COVID-19 stimulus package

Healthcare

Biden Administration

- No Medicare For All
- ACA strengthened and expanded
- Public option?
- Drug pricing

Climate Change

Biden Administration

Major focus

Aggressive regulation (e.g., CAFÉ, rulemaking, permitting)

Partner with a Democratic Congress

- EPA expansion
- EOs
- Infrastructure

International engagement

Infrastructure

Biden Administration

- Major investment in R&D and infrastructure is promised
- Can be viewed as additional stimulus
- Can be a vehicle for other priorities (e.g., climate, social justice, jobs, and higher wages)

Trade and International Engagement

Biden Administration

- Reengage United States with the rest of the world
- Affirm our commitments abroad
- Obama-style trade policies



Immigration

Biden Administration

- Reduced enforcement
- Increased flexibility

Labor Policies

Biden Administration

- Pro-labor perspective
- Higher minimum wage and support for overtime
- Less arbitration
- Work around pay and safety rules that were CRA'd
- OSHA protections in COVID-19 bill

Questions?



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