Committee on Ways and Means
Provisions in the Build Back Better Act

Funding Our Priorities Through A Fairer Tax Code

Below is an overview of the eight sources of revenues in the Build Back Better Act. Under this legislation, no one making less than $400,000 a year will pay one cent in additional taxes.

A 15% Corporate Minimum Tax
● Establishes a new “minimum tax” of 15 percent on all U.S. corporations earning more than $1 billion a year in profits. The minimum tax would be assessed on “book” income reported to shareholders, rather than profits reported to the Internal Revenue Service (IRS).
● Estimated to bring in $325 billion in additional revenues.

Strengthening the Global Minimum Tax for Large Multinational Corporations
● Ensures that U.S. companies pay a minimum tax of 15 percent on profits they earn overseas, as part of our international agreement to end the “race to the bottom” in taxing large corporations.
● Estimated to bring in $350 billion in additional revenues.

A Surcharge on the Wealthiest 0.02% of Americans
● Provides a new surtax on the income of multi-millionaires and billionaires – the wealthiest 0.02% of Americans. The surtax would apply a five percent rate above income of $10 million, and an additional three percent surtax on income above $25 million.
● Estimated to bring in $230 billion in additional revenues.

IRS Investments to Close the Tax Gap
● Provides for closing the tax gap – the difference between what is owed to the IRS in taxes and what is actually collected each year.
● Provides that the Administration will invest $80 billion in the IRS for the hiring of new agents and modernization of the agency’s technology. The new funds will help enable the IRS to pursue wealthy tax cheats.
● Estimated by the Treasury Department to bring in $400 billion in additional revenues.

Closing Medicare Tax Loophole for Wealthy
● Closes the loopholes that allow some wealthy taxpayers to avoid paying the 3.8 Medicare tax on their earnings.
● Estimated to bring in $250 billion in additional revenues.

Limiting Business Losses for the Wealthy
● Limits the business losses the wealthy can claim to reduce their tax liability. For example, some high-income taxpayers claim their business losses against their investment income, zeroing out their tax bill. This limits the amount of business loss that can offset non-business income.
● Estimated to bring in $170 billion in additional revenues.
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Tax on Stock Buybacks
- Provides a one percent surcharge on corporate stock buybacks, which corporate executives too often use to enrich themselves rather than investing in workers and growing their businesses.
- Estimated to bring in $125 billion in additional revenues.

Repealing Trump Rebate Rule
- Repeals the Trump rebate rule, saving taxpayers and seniors money. Among its negative effects, the Trump rebate rule increased the monthly Medicare premium that seniors pay.
- Estimated to bring in $145 billion in additional revenues.