



# THE COMMITTEE ON WAYS AND MEANS

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

### *Funding Our Priorities Through A Fairer Tax Code*

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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 Percent 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 Percent of Americans**

- Provides a new surtax on the income of multi-millionaires and billionaires – the wealthiest 0.02 percent 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.