



TaxNewsFlash

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Legislative update: House passes bipartisan infrastructure bill with tax provisions, completing congressional action

The U.S. House of Representatives tonight passed H.R. 3684, the “Infrastructure Investment and Jobs Act.” The vote was 228 to 206. The legislation includes tax-related provisions.

The U.S. Senate passed the same version of the bill on August 10, 2021 on a bipartisan basis. Read [TaxNewsFlash](#). Thus, congressional action of this bill has been completed. Once the House forwards the bill to the White House, it will be ready for action by the president.

H.R. 3684 is one of two major priorities on which Congressional Democrats have been focusing. The other is H.R. 5376, the “Build Back Better Act” (proposed legislation that also includes tax provisions). Neither the House nor the Senate has yet voted on H.R. 5376, which Democrats are attempting to advance using budget reconciliation procedures.

Revenue provisions (tax)

The [bill](#) [PDF 3.11 MB] (2,740 pages) includes tax law changes as well other budgetary offsets.

Division H of the bill includes revenue provisions that are estimated by the Joint Committee on Taxation (JCT) to raise approximately \$51 billion over 10 years on a net basis. Read the JCT revenue estimate—[JCX-33-21](#).

The revenue provisions in Division H include the following:

Revenue raisers

- Requiring information reporting with respect to digital assets such as cryptocurrency, generally effective for returns and statements required to be filed or furnished after December 31, 2023 [estimated to raise approximately \$28 billion over a 10-year period]
- Extending certain Superfund excise taxes through December 31, 2031, and modifying the amount of tax applicable to certain chemicals, generally effective as of July 1, 2022 [estimated to raise approximately \$14.45 billion over a 10-year period]
- Terminating the employee retention credit earlier than scheduled by making it applicable to wages paid before October 1, 2021 (rather than wages paid before January 1, 2022) [estimated to raise approximately \$8.2 billion over a 10-year period]
- Modifying the section 430(h)(2)(C)(iv) table of applicable minimum and maximum percentages with respect to certain pension plans (i.e., “pension smoothing”) [estimated to raise approximately \$2.9 billion over a 10-year period]

Revenue losers

- Expanding the definition of exempt facility bonds to include certain qualified broadband projects and qualified carbon dioxide capture facilities; providing a partial exemption to the private activity bond volume cap for exempt facility bonds relating to such projects and facilities; and increasing the national limitation amount for qualified highway or surface freight transportation facilities [estimated to lose approximately \$1.2 billion over a 10-year period]
- Modifying the Code section 118 contribution-to-capital rules to apply to certain amounts received by regulated public utilities for water or sewerage disposal services [estimated to lose approximately \$1.25 billion over a 10-year period]

Scored as having no revenue effect

- Extending various highway-related excise taxes (including fuel taxes and heavy vehicle use taxes) as well as certain related exemptions for six years
- Extending the authority to spend out of the highway trust fund, the sport fish restoration and boating trust fund, and the leaking underground storage tank trust fund until October 1, 2026
- Modifying the automatic extension of certain deadlines in the case of taxpayers affected by federally declared disasters
- Providing the Treasury Secretary with authority to postpone certain deadlines in the case of certain “significant fires”
- Tolling of time for filing a petition with the U.S. Tax Court in certain cases in which a filing location is inaccessible or otherwise unavailable on the date the petition would otherwise be due
- Modifying the rules for postponing certain acts due to service in a combat zone or contingency operation

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