



GMS Flash Alert

2021-210 | August 3, 2021



United States – Senate Finalizes Bipartisan Legislative Text on Infrastructure Bill

On Sunday, August 1, 2021, Senate Majority Leader Chuck Schumer (D-NY) announced that the bipartisan infrastructure bill, “Infrastructure Investment and Jobs Act,” has been submitted and the Senate is expected to vote on the legislation later in the week.¹ Measures that may affect individuals and their employers include information reporting with respect to digital assets, the employee retention credit, and the section 430(h)(2)(C)(iv) table of applicable minimum and maximum percentages concerning certain pension plans. We highlight these and other proposed measures in this *GMS Flash Alert*.

The bill includes approximately \$550 billion in spending and outlines revenue raising tax provisions as well as tax neutral provisions meant to help certain eligible taxpayers.²

WHY THIS MATTERS

Notably, the bill does not contain the corporate or individual tax rate proposals included in President Biden’s “Made in America Tax Plan” or “American Families Plan.”³ However, the bill does contain other tax provisions that may impact individuals and certain employers should it become law.

Revenue Raising Tax Provisions with Impact to Individuals or Employers

To offset the projected spending on infrastructure, the bill proposes the following provisions:

- Requiring information reporting with respect to digital assets such as cryptocurrency, generally effective for returns

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and statements required to be filed or furnished after December 31, 2023 (estimated to raise approximately \$28 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-Neutral Relief for Taxpayers Affected by Disasters or Other Critical Events

Other individual tax provisions that have no revenue impact and provide relief for certain taxpayers:

- Modification of automatic extension of certain deadlines in the case of taxpayers affected by federally-declared disasters;
- Modifications of rules for postponing certain acts by reason of service in combat zones or contingency operations;
- Tolling of time for filing a petition with the Tax Court in certain cases in which a filing location is inaccessible or otherwise unavailable on the date the petition would otherwise be due;
- Authority to postpone certain tax deadlines by reason of certain "significant fires."

KPMG NOTE

KPMG LLP (U.S.) is following the legislative process of the infrastructure bill and will be providing further updates as necessary.

FOOTNOTES:

1 See "U.S. Senate: Senators Announce Deal Is Made on Bipartisan Infrastructure Bill" (August 1, 2021) on C-Span at: <https://www.c-span.org/video/?513858-101/senators-announce-deal-made-bipartisan-infrastructure-bill>. (Note that this is a 3rd party (non-governmental, non-KPMG) website. Providing this link does not represent an endorsement of this website by KPMG.)

2 See H.R. 3684, 117th Cong. (1st. Sess. 2021). For further coverage, see "[Legislative update: Senate releases legislative text of bipartisan infrastructure bill](#)" in *TaxNewsFlash* (August 2, 2021), a publication of the KPMG International member firm in the United States.

3 For related coverage, see the following issues of *GMS Flash Alert*: [2021-157](#) (May 28, 2021), [2021-126](#) (April 28, 2021), and [2021-101](#) (April 1, 2021).

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