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United States - President Signs Bipartisan Infrastructure Bill

On November 15, 2021, U.S. President Joseph Biden signed into law the "Infrastructure Investment and Jobs Act."[1] The bipartisan infrastructure bill is one of two major pieces of legislation the Democrats have been focusing on – with support from some Republicans – and it became Public Law No: 117-58 on November 15, 2021. The other is the "Build Back Better Act," which has not yet been voted on by either the House or the Senate.

WHY THIS MATTERS

While the bipartisan legislation does not contain individual tax rate proposals that would impact international assignees or programs directly, the legislation does contain other tax provisions that may impact individuals and certain employers.

Revenue Raising Tax Provisions with Impact on Individuals or Employers

The following provisions will offset the projected spending in the infrastructure legislation.[2]

- 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).[3]

- 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 Internal Revenue Code 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 "Build Back Better Act" and will be providing further updates as necessary. Read KPMG's analysis and observations: "'Build Back Better Act' tax proposals in pending House bill" [PDF 2.4 MB] (210 pages) (November 11, 2021).

FOOTNOTES:

1 See: H.R. 3684. For further coverage, see "President signs bipartisan infrastructure bill, tax provisions are enacted" in *TaxNewsFlash* (November 15, 2021), a publication of the KPMG International member firm in the United States. For prior coverage, see *GMS Flash Alert* 2021-210, August 3, 2021.

2 Read the JCT revenue estimate – JCX-33-21.

3 For additional reading on cryptocurrency reporting, see N. Suit, C. Daftary, and P. Garlett, "Broker Crypto Tax Information Reporting Is Here, But It May Not Be Just for Brokers Anymore," *Journal of Taxation of Financial Products* (Volume 18, Issue 3, 2021) at: https://tax.kpmg.us/insights/kpmg-tax-published-articles.html .

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