Overview

Tax Notes covered Steptoe's December 10 Post-Election Recap webinar in an article titled "Biden Tax Reset Could Target Process and Policy." During the webinar, Steptoe's George Callas, Eric Solomon and Lisa Zarlenga discussed whether President-elect Biden's administration will usher in a return to form for traditional tax policy processes, or if the Trump administration's shifts will have staying power.

During the Trump administration, Treasury suspended the tradition of including a "green book" of revenue proposals alongside its annual budget proposal to Congress. With Biden proposing dozens of tax increases throughout his presidential campaign, however, his upcoming administration might be quick to bring it back, Solomon said. "The effect of the green book is it provides a whole menu of legislative proposals put out by the administration. They’re like a la carte proposals," Solomon said. He noted that the Joint Committee on Taxation traditionally provides estimates of these proposals, and that the taxwriting and budget committees in Congress typically review these proposals and hold hearings with Treasury officials to discuss them.

Callas said many of the tax provisions that a Biden administration considers early on are likely to concern tax relief because the focus will be on economic stimulus, where "the point is to put money into the economy." As Biden’s term in office progresses and he addresses other priorities like restoring infrastructure or shifting global supply chains back to the United States, there will likely be more pressure to have revenue-raising proposals on hand to offset the cost, Callas said. And Biden’s campaign tax plans, which add up to a "substantial net tax increase," offer plenty of options for that, he added.

On the administrative front, Zarlenga said she expects the Biden administration to place a freeze on all pending regulations — a typical move for incoming administrations — while the new Treasury officials get up to speed on various projects and get their priorities in order. Beyond that, however, Biden's Treasury has a lot of options to consider. The Trump administration's Treasury is rushing to finalize major regulations, particularly those related to implementation of the Tax Cuts and Jobs Act, but any regulations that aren't finalized by the time Biden takes office January 20 present easy targets for his administration to change, Zarlenga said.

The full article can be read at Tax Notes (subscription required).

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