



Date: November 3, 2021

Subject: Updated Build Back Better Act | 11/3 House Rules Text

New Text

Earlier today, the House Rules Committee released updated text for the reconciliation package, aka the Build Back Better Act (BBBA). You can find the full text of the bill [here](#), and a section by section [here](#).

The House Rules Committee is currently holding a hearing on the package, but neither they nor House Democratic leadership has publicly announced an updated plan for passing the BBBA through the House. That said, staff for Speaker Pelosi and Leader Hoyer have told us that floor votes are possible as early as tomorrow (Thursday).

There's reason to be skeptical that this will happen.

A vote before the end of the week would require leadership to convince moderates that 1) a full CBO score on the bill isn't necessary (and that other informal cost assessments should suffice) and 2) they aren't taking an unnecessary, politically challenging vote if some of the provisions are changed in the Senate or forced out by the Senate Parliamentarian.

Congressional Progressive Caucus Chair Jayapal indicated earlier this week that progressives have dropped their insistence on confirmation from Senators Sinema and Manchin that they would support the reconciliation package before voting for the Bipartisan Infrastructure Deal and the BBBA (as we have said all year, they will need to move together for either of them to pass). If this holds, progressives appear willing to pass both bills on an accelerated schedule.

So it's certainly possible for both bills to pass the House this week (even by tomorrow), but it will take some arm-twisting of moderates and it's unclear whether or not they will interpret the Republican win in the Virginia gubernatorial election as voters telling them to slow down.

Notable Changes

Major changes that have garnered most of the attention in the press are the new inclusion of limited paid family leave, a limited ability for Medicare to negotiate some drug costs, and additional protections for immigrants. We have also highlighted a few of the main changes to the clean energy tax title from the last version below:

Zero-emissions nuclear

- Shortens timeline from December 2029 to December 2027
- Modifies the formula for calculating the credit, making it less valuable

Clean hydrogen

- The following changes in the percent of the credit earned in each tiers were made (commensurate changes made for ITC):
 - Tier 1 - 8.4% of the total credit -> 15% of the total credit (\$0.45/kg)
 - Tier 2 - 20% (no change) (\$0.60/kg)
 - Tier 3 - 33.4% -> 25% (\$0.75/kg)
 - Tier 4 - 50% -> 33.4% (\$1/kg)
 - Tier 5 - 100% (no change) (\$3/kg)

Electric vehicles

- Decreases AGI caps to \$500k for joint return and \$250k for individual (previously \$800k/\$400k)
- Increases MSRP caps for vans (previously \$64k), SUVs (previously \$69k) and pickups (previously \$74k) to \$80k

25C Nonbusiness energy property

- Caps per-item annual "energy property" at \$600 (total annual limit per taxpayer is still \$1200)

25D/residential solar

- Direct pay goes into effect in 2024 instead of 2023

Manufacturing tax credit

- Shortens timeline to commences construction from December 2027 instead of December 2025

Manufacturing production tax credit

- Makes thin film and PV eligible for same value credit (4 cents multiplied by capacity)

We'll provide additional updates in the coming days as we continue digging into the bill. Of course, the usual caveat applies that all of this is subject to change in ongoing negotiations with the Senate.

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