



INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE & AGRICULTURAL IMPLEMENT WORKERS OF AMERICA – UAW

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To: All Local Union Presidents, Vice Presidents, Financial Secretaries, Recording Secretaries, Bargaining Committee Chairs, Retired Workers Chairs, CAP Council Chairs

RE: **BIF and BBBA Talking Points**

Two key pieces of legislation are moving quickly: The Bipartisan Infrastructure Framework (BIF) known as the Infrastructure Investment and Jobs Act and the Build Back Better Act (BBBA). UAW strongly supports both because they contain critical investments into infrastructure, have provisions that directly affect UAW members, and will put everyone on a better track for tomorrow and beyond.

Right now, the work is to build momentum to pass BBBA with key provisions remaining intact. Specifically, BBBA includes a provision (sponsored by Sen. Debbie Stabenow and Rep. Dan Kildee – both from Michigan) that would provide an additional **\$4500 tax credit to consumers who purchase a union-made electric vehicle built in the U.S.** This is an extraordinary provision that states union-negotiated standards are the basic minimum that companies must meet to benefit from certain taxpayer funded programs. The transnational companies are lobbying strenuously to strip out this language, so it is critical that we continue to build support to maintain the existing language.

BBBA contains many other provisions that are also important to UAW active members and retirees:

- **Funding to help auto manufacturers retool for new technologies:** these provisions are a major investment that benefits UAW members in the auto sector and are an important step toward ensuring that new technologies are not used to displace workers.
- **Real labor law reform that makes the right to organize meaningful.** The right to organize is not new, but employers have figured out ways to game the system and interfere with the legal right to form a union. These changes will, among other things, increase funding to the NLRB so it can enforce the laws and stop the practice of threatening to use replacement workers during a strike. The bill currently gives the National Labor Relations Board the authority to levy fines of as much as \$50,000 per labor violation and allows for \$100,000 fines if the violation resulted in an employee getting fired. We are hopeful the Build Back Better will contain provisions that would stop letting companies use their union-busting expenses as a tax deduction.

- **Makes healthcare accessible for more Americans:** healthcare costs continue to skyrocket. One-fourth of U.S. adults (24 percent) and seniors (23 percent) taking prescription drugs report that it is difficult to afford their medicines. As a result, many are forced to skip or ration a life-saving medication because they can't afford the cost of prescription drugs. BBBA will make healthcare more accessible by lowering drug costs and expanding Medicare dental, vision, and hearing benefits. It will expand paid family medical leave so we can care for ourselves and family without fear of losing our jobs. It would also allow Medicaid expansion in states that have refused to expand healthcare access,
- **Lifts children out of poverty through the child tax credit:** BBBA extends the tax credit. We know this program works. In the first year of the tax credit, the number of households reporting not having enough to eat dropped by 3.3 million. That's because low-income families used the tax credit on necessities such as food, utilities, and housing.
- **Funds universal pre-k:** pre-k programs allow families to set their young children up for the future as well as allow caregivers to return to the workforce outside of the home. BBBA will make pre-k universal for 3- and 4-year-olds, setting up entire generations for academic and professional success.
- **Provides two years of free community college:** higher education is often the gateway to a secure future, but for too many, the costs of higher education make that dream unattainable. BBBA directly takes on that issue by funding two years of community college.
- **Stop rewarding companies for sending jobs overseas:** Stop rewarding companies for sending jobs overseas: Right now, our tax laws give corporations financial incentives to offshore jobs. Such misguided laws have contributed to growing income inequality. Companies can move jobs overseas and bring back their profits at a lower tax rate than what they would pay if they had kept the jobs here. BBBA will help reign that in and reverse some of the tax cuts given to the wealthiest Americans and corporations. CEO compensation has grown 1322 percent between 1978-2020 while worker compensation has risen only 18 percent during that time.

How will these ambitious bills be paid for? BBBA and BIF are an investment in our future:

The final costs of BBBA and BIF are not yet determined. Even at its largest estimations, BBBA will be just 1.2 percent of the US economy over the next 10 years. Much of the legislation is paid for by repealing the giveaways in the 2017 tax bill, which overwhelmingly benefitted the wealthiest at the expense of everyone else. Here are some of the proposals under consideration:

- **TAXES RAISED ON THE WEALTHY:** tax rates will go back to pre-2017 levels for married couples filing jointly making over \$450,000 a year or single filers making more than \$400,000 a year.
- **MILLIONAIRE SURCHARGE:** 3% surtax to modified adjusted gross income exceeding \$5,000,000 (or \$2,500,000 for married taxpayers filing separately).

- **RAISING CAPITAL GAINS TAX:** A capital gain is an increase in value of something which was held for a period of time such as a stock or business. The richest 1% benefit from the preferential tax rate for capital gains.¹ BBBA raises the top capital gains tax rate and adjusts the top capital gains tax bracket to \$400,000 for single filers, \$425,000 for head of household filers, and \$450,000 for joint filers
- **LOWERING EXEMPTIONS ON ESTATE TAX:** the 2017 law exempted estates valued up to \$23.4 million for couples and \$11.7 for single individuals from the estate tax. As a result, less than 0.1 percent of estates pay any estate tax.²
- **FUNDING THE IRS TO GO AFTER TAX CHEATS:** years of budget cuts have effectively stymied the IRS from going after wealthy tax cheats. BBBA includes \$80 billion to focus primarily on individuals and entities with incomes over \$400,000.
- **RAISING CORPORATE TAX RATES:** in 2017, corporations reaped massive tax cuts without any measurable benefit to the economy (though many were promised).³ The 2017 law cut the rate for large corporations from 35 percent to 21 percent. BBBA raises it to 26.5 percent.
- **REFORMING TAX POLICY THAT INCENTIVIZES OFFSHORING WORK:** under current rules, corporations pay a lower tax rate on profits made abroad than they do on profits made domestically. This has created financial incentives to offshore work. BBBA effectively increases the tax rate for foreign derived income.

In solidarity,



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President

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cc: International Executive Board
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¹ <https://www.americanprogress.org/issues/economy/news/2021/09/20/504003/house-ways-means-build-back-better-bill-first-step-toward-fairer-tax-code/>

² <https://www.taxpolicycenter.org/briefing-book/how-many-people-pay-estate-tax>

³ <https://www.brookings.edu/research/searching-for-supply-side-effects-of-the-tax-cuts-and-jobs-act/>