

## DC Tax Flash: Budget Plan for Virus Relief Clears House

Tax Alert

**02.03.2021**

The House today approved a budget plan that aims to deliver nearly \$2 trillion in federal assistance to fight COVID-19 and alleviate economic damage from the virus and lockdowns. The [budget resolution](#) (H.Con.Res. 11) passed on a vote of 218-212. No Republicans voted for it, and just two Democrats opposed it.

The Senate is working on a [parallel measure](#) (S.Con.Res. 5) that is expected to pass later this week or next. Once approved, it will be consolidated with its House counterpart and repassed by both chambers. Budget resolutions are not submitted to the President for signature. Once approved in final form by both chambers, authorizing committees are tasked with reporting legislative language that fleshes out the policy goals and revenue targets set in the budget resolution.

The House Budget Committee [explains](#) that the budget resolution:



provides reconciliation instructions to 12 committees to submit changes in laws within their jurisdictions that will increase the deficit over the period of fiscal years 2021 through 2030 by no more than the amount specified for each committee. Because of overlapping committee jurisdictions in the House, the separate reconciliation instructions add up to more than \$1.9 trillion, but the levels in the budget resolution adjust for these double-counts and assume the net effect of changes in laws will not exceed \$1.9 trillion. The section also requires committees given reconciliation instructions to submit legislation to the Committee on the Budget by February 16, 2021 to carry out this section.

On tax policy, the budget resolution would instruct the Ways and Means Committee to report legislation that would reduce federal revenue by \$940.7 billion over 10 years. This would include proposals for \$1,400 direct payments to individuals, employer credits for mandatory sick and family leave, expanded tax credits for child care, and expanding the Earned Income Tax Credit.

More information on the House budget resolution is [posted here](#).

The Budget Committees in each chamber will assemble the various legislative provisions reported by the respective authorizing committees into a single budget reconciliation bill. Special parliamentary rules govern reconciliation bills and prevent filibusters, which expedite consideration and allow for a simple majority vote on amendments and final passage in the Senate.

More information on the Senate budget resolution is [posted here](#).

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### Miller & Chevalier Coronavirus Task Force

The outbreak of COVID-19 is creating significant business and legal challenges for companies throughout the world. In response to client demand, the firm has formed an interdisciplinary task force to help businesses navigate these issues.

### COVID-19 Resource Library

We also maintain a resource library of [legislative responses](#) and [regulatory guidance](#) related to COVID-19.

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