

Jorge Castro Quoted on Prospects for Build Back Better Tax Legislation in InvestmentNews

"Build Back Better Stall Could Complicate Tax Planning"

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Jorge Castro, former Counselor to the IRS Commissioner during the Obama administration and Democratic Congressional tax aide, commented on the possibility of retroactive tax changes if President Biden's social spending and tax package (the Build Back Better legislation), which has stalled in the Senate, regains momentum. Lawmakers are leery of enacting new tax policy backward-looking, Castro said. "The longer Build Back Better lingers, the harder it becomes for Democrats to pass something retroactively," Castro noted. If the White House and Senator Joe Manchin (D-WV) can come to an agreement, Castro expects the higher SALT deduction cap to remain in the bill because it's important to many Democratic lawmakers. But if the legislation continues to shrink in size, the SALT provision could also be reduced. "It's in the cards that it could be scaled back," Castro said, also adding that Congressional negotiations "could very well go into February."