BIDEN PROPOSALS - THE BIG PICTURE

Date: 12 August 2020

Public Policy and Law Alert

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As Democrats “gather” next week for their (mostly virtual and remote) convention to formally nominate Joe Biden as their candidate for President, it is important to think about what a Biden presidency would mean for your organization. Over the last several weeks, the Biden campaign has put out a series of policy papers and proposals. These include significant work by the Biden-Sanders Unity Task Force. Since Senator Kamala Harris (D-CA), recently named Biden's running mate, generally has been more moderate than Senator Bernie Sanders (I-VT), we do not expect any significant shifts as a result of her selection as the Vice Presidential candidate. Here, we have boiled down the Biden proposals to give you an overview of expected actions generally applicable to business and in a number of substantive areas.

It is certainly too early to predict an election win for Biden and a Democratic Congress. But it's NOT too early to plan for it—assessing the risks, opportunities, and best courses of action to be prepared for it. Time spent contingency planning now can payoff in higher post-election financial returns than any other investment you can make. We would be happy to discuss this in greater detail with you as well as begin developing a strategy for 2021.

GENERAL BUSINESS PROVISIONS

- $15/hour minimum wage nationwide
- Equal pay
- Easier union organizing (card check), ability to join union, collective bargaining
- Mandatory 12 weeks paid sick and family leave
- No mandatory arbitration
- Reversing Trump deregulatory actions
- Incentives for onshoring especially critical supply chains
- Priority antirust reviews of pharma, health care, and agricultural concentration
- Better UI (wage replacement) to enable workers to remain attached to jobs

TAX PROPOSALS WOULD RAISE ROUGHLY $3 TRILLION

- $1 trillion from personal income tax increases

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- $1 trillion from raising social security tax on those earning more than $400,000 per year
- $1 trillion from corporations

Corporate taxes

- Increase rate from 21 percent to 28 percent
- New minimum tax of 15 percent on “book profit”
- Double GILTI tax on foreign income to 21 percent

Individual taxes (top 1 percent rate would go from 13 to 18%)

- Increase top rate from 37 percent to 39.6 percent
- For income more than $1 million, capital gains taxed as ordinary income; no step-up in basis for inheritance
- 28 percent rate cap on itemized deductions; further reduced above $400k

COVID-19 PROPOSALS

- Support for small business, individuals, and state/local government (no specifics)
- Invoke the Defense Production Act for personal protective equipment
- Issue Occupational Safety and Health Administration workplace guidelines for safety
- More serious testing and contact tracing

TECHNOLOGY

- $300 billion research and development investment in breakthrough technologies (e.g. 5G, AI, electric vehicles)
- Promote rural broadband (public investment, low-income subsidies, enable cities to build their own)
- Restore the Federal Communications Commission's enforcement authority for net neutrality violations
- (Possibly) end or amend Section 230 internet liability protection
- (Possibly) limit encryption

TRADE

- Inclusion of binding enforceable labor, human rights, and environmental standards in trade agreements
- Eliminate provisions that promote offshoring, especially of pharmaceuticals
- Take action against countries that manipulate their currencies

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INFRASTRUCTURE (NOT SPECIFIC)

- Investments in clean energy and transportation, energy efficiency, clean manufacturing
- Made in America/Buy American requirements
- Repair highways, roads, bridges, ports and airports
- Invest in high-speed rail
- Ensure clean, reliable drinking water and safe wastewater systems
- Modernize schools and end digital divide
- Continue opportunity zones

HEALTH CARE

- Public option
- Reduce Medicare eligibility age from 65 to 60
- Federal negotiation of drug prices
- Integrate behavioral health into primary care
- Incorporate social determinants of health (SDoH) for Medicaid
- Implement cost containment through delivery system reform

ENVIRONMENT/ENERGY

- Broad green agenda
- Rejoin/negotiate climate international agreements
- Support electric vehicles, solar, wind
- Energy-efficient tax credits
- Net zero emissions from new buildings by 2030
- Zero emissions for power sector by 2035
- Affirm California's authority under the Clean Air Act to set own emission standards

FINANCIAL SERVICES/BANKING

- New tax on biggest by assets
- Possible financial transaction tax

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- Consumer access to the Federal Reserve
- U.S. Postal Service basic banking
- Public credit reporting agency
- Increased access to credit for low-income and rural small businesses

HOUSING

- $640 billion investment in Housing Trust Fund
- $100 billion low-income housing tax credit
- $15k tax credit for first-time home buyers
- Section 8 housing expansion
- Fair Housing Standards restored

EDUCATION

- Increase funding for public schools, 300 percent for low-income districts
- Universal preschool for three- and four-year-olds
- Free public college for families earning less than $125,000 per year
- Workforce development through apprenticeships and community college partnerships
- Public funding of caring workforce (teachers, nurses, social workers)

IMMIGRATION

- Deferred Action for Childhood Arrivals retention
- Legal path to citizenship

JUSTICE

- Gun control
- Police reform
- Criminal justice reform
- Bankruptcy reform

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