

Highlights of the Build Back Better Act

Investments in children, families and caregiving

Universal Preschool for All 3- and 4-year Olds. BBB expands access to free high-quality preschool for more than 6 million children for six years. ***New Jersey impact:*** This will enable expanded access to more than 128,267 additional 3- and 4-year olds per year and increase the quality of preschool for children who are already enrolled. Today, only 27% of the 3- and 4-year olds in New Jersey have access to publicly funded preschool, and it costs about \$8,600 per year for those who can't access a publicly funded program.

Affordable High Quality Child Care. BBB limit childcare costs for families to no more than 7% of income for families earning up to 250% of state median income for six years. It would enable states to expand access to about 20 million children. ***New Jersey impact:*** This bill would enable the state to provide access to childcare for about 500,000 young children (ages 0-5) per year from families earning under 2.5 times the state median income (about \$308,575 for a family of 4). The plan is expected to cover the families of 9 in 10 young children in the state. In New Jersey, the average annual cost of a childcare center for a toddler is \$14,954, meaning that a New Jersey family with two young children would on average spend 23% of their income on childcare for one year. The lack of affordable options also makes it difficult for parents, and especially mothers, to remain in their jobs, contributing to the 24.2% gender gap in workforce participation between mothers and fathers in New Jersey.

Affordable, High-Quality Care for Hundreds of Thousands of Older Americans and People with Disabilities in Their Homes and Communities. BBB strengthens an existing program through Medicaid and ending the existing backlog and improving working conditions for home care workers. ***New Jersey impact:*** Approximately 88,000 uninsured people will gain coverage and 113,800 will on average save hundreds of dollars per year.

Expanded Child Tax Credit. BBB extends for one year the current extend Child Tax Credit (CTC) increases of \$300/month per child under 6 or \$250/month per child ages 6 to 17 for more than 35 million American households, with monthly payments for households earning up to \$150,000 per year. ***New Jersey impact:*** This would provide up to \$1,500 in tax cuts for 388,400 low-wage workers in New Jersey. Prior to the pandemic, 14% of children under the age of 18 in New Jersey lived in poverty.

Provide nutritious food options for children. BBB expands access to free school meals to an additional 177,000 students during the school year and providing 594,207 students with resources to purchase food over the summer. ***New Jersey impact:*** Approximately 10% of children in New Jersey live in food insecure households, harming their long-term health and ability to succeed in school.

Investments in clean energy and combatting climate change

History being made. With the fact that New Jersey experienced 23 extreme weather events that cost up to \$50 billion in damages from 2010 to 2020, this bill marks the largest effort to combat climate change in American history.

Clean Energy Tax Credits (\$320 billion). Ten-year expanded tax credits for utility-scale and residential clean energy, transmission and storage, clean passenger and commercial vehicles, and clean energy manufacturing.

Resilience Investments (\$105 billion). Investments and incentives to address extreme weather (wildfires, droughts, and hurricanes, including in forestry, wetlands, and agriculture), legacy pollution in communities, and a Civilian Climate Corps.

Investments and Incentives for Clean Energy Technology, Manufacturing, and Supply Chains (\$110 billion). Targeted incentives to spur new domestic supply chains and technologies, like solar, batteries, and advanced materials, while boosting the competitiveness of existing industries, like steel, cement, and aluminum.

Clean Energy procurement (\$20 billion). Provides incentives for government to be purchaser of next gen technologies, including long-duration storage, small modular reactors, and clean construction materials.

Affordable care for millions of hardworking Americans

Affordable Care Act Premium Tax Credits. BBB extends the expanded Affordable Care Act premium tax credits through 2025, which is expected to help 3 million people who would otherwise be uninsured gain health insurance. Also makes Affordable Care Act premium tax credits available through 2025 to 4 million uninsured people in uncovered states. New Jersey impact: In New Jersey, it is expected 88,000 uninsured people will gain coverage and 113,800 will on average save hundreds of dollars per year.

Medicare expansion. BBB allows Medicare to cover the cost of hearing.

Strengthening the middle class

Housing. BBB makes a \$150 billion investment in housing affordability and reducing price pressures, including in rural areas. Funds go towards building, preserving, and improving more than 1 million affordable rental and single-family homes, including public housing, plus rental

and down payment assistance. ***New Jersey impact:*** An estimated 580,000 renters in New Jersey are rent burdened, meaning they spend more than 30% of their income on rent, while homeownership remains out of reach.

Education Beyond High School and Workforce Development. BBB reduces costs and expand access to education beyond high school by raising the maximum Pell grant by \$550, providing support to Historically Black Colleges & Universities, Hispanic Serving Institutions, Minority Serving Institutions, and Tribal Colleges and Universities, and investing in workforce development, including community college workforce programs, sector-based training, and apprenticeships. ***New Jersey impact:*** The average cost of a 2-year degree in New Jersey is \$5,498 per year, and \$14,963 per year for a 4-year degree, straining many student budgets and 122,469 students in New Jersey rely on Pell Grants.

Earned Income Tax Credit for 17 Million Low-Wage Workers. BBB extends for one year the current expanded Earned Income Tax Credit for childless workers.

Tax provisions

Trade Adjustment Assistance. BBB specifically includes language Rep. Pascrell introduced in the Improved Access to Trade Adjustment Assistance Act (H.R. 5258) to make it easier for fired workers to obtain federal assistance after their jobs are relocated. The bill also reauthorizes the program for seven years, makes several modifications to improve worker access, and expands benefits for job search and relocation allowances for workers.

Zero-emission nuclear power production credit. BBB provides a credit for the production of electricity from a qualified nuclear power facility. The provision provides a base credit rate of 0.3 cents/kilowatt hour and a bonus credit rate of 1.5 cents/kilowatt hour for electricity produced by the taxpayer and sold to an unrelated person during the taxable year. This provision largely incorporates Rep. Pascrell's existing nuclear PTC bill.

Advanced Manufacturing Production Credit. BBB provides a manufacturing production credit for offshore wind and solar eligible components which are produced and sold. Eligible components include solar polysilicon, wafers, cells, and modules, and wind blades, nacelles, towers, and offshore foundations. The amount credit allowed for eligible components is increased by 10% if the final assembly of such components is at a facility in the United States which operates under a union-negotiated collective bargaining agreement. The credits are provided for eligible components produced and sold before January 1, 2027. This provision incorporates a portion of Rep. Pascrell's soon-to-be introduced offshore wind manufacturing tax credit bill that was one of the congressman's GREEN tax priorities.

Reinstatement of Superfund. BBB reinstates the Hazardous Substance Superfund Financing Rate on crude oil and imported petroleum products at the rate of 16.4 cents/per gallon, indexed to inflation, and reinstates the tax on taxable chemicals. This provision is made effective after December 31, 2021. Rep. Pascrell has long championed the reinstatement of Superfund and has sponsored legislation to achieve this result.

Possessions economic activity credit. BBB creates a new economic activity credit related to active businesses conducted in U.S. territories or possessions. The new credit is a general business credit equal to 20 percent of the sum of the qualified possession wages and allocable employee fringe benefit expenses paid or incurred by a qualified domestic corporation for the taxable year up to \$50,000 with respect to each full-time employee. Rep. Pascrell is a cosponsor of legislation incorporating these provisions for Puerto Rico and other territories.

SALT cap relief. This provision will raise the cap to \$80,000 for 10 years, at which time the \$10,000 cap is reinstated permanently.

Health Profession Opportunity Grants. BBB includes language Rep. Pascrell introduced in the Health Opportunities to Promote Equity (HOPE) Act (H.R. 4236) to guarantee each state has at least two HPOG grantees.