Senate Continues Work on Bipartisan Infrastructure Bill

This week, the U.S. Senate continued to debate and vote on amendments to the $1.2 trillion bipartisan infrastructure bill currently under consideration in Congress. The Infrastructure Investment and Jobs Act would provide approximately $550 billion in new spending over five years and include investments in roads, bridges, rail, ports, airports, waterways, public transit, environmental remediation and other traditional infrastructure projects. The legislation will be paid for through a variety of new revenue sources but will not include any tax increases on individuals or small businesses.

The Senate is planning to continue debate on the bill through the weekend with final a vote expected early next week. The bill must have the support of 60 senators to clear the Senate filibuster and receive a final up-or-down vote. If approved by the Senate, the House of Representatives will take up the legislation when it returns from recess in September. It remains unclear whether the legislation will have enough support to pass a narrowly divided House in its current form. NDA continues to advocate on behalf of the industry with key staff and committees in both the House and Senate.

Infrastructure Investment and Jobs Act Summary

- Invests $1.2 trillion on traditional infrastructure projects. Includes $550 billion in new infrastructure spending over 5 years:
  - Roads and bridges: $110 billion;
  - Passenger and freight rail: $66 billion;
  - public transit: $39 billion;
  - Airports: $25 billion;
  - Ports and waterways: 17 billion;
  - Electric vehicles: $15 billion;
  - Road safety: $11 billion; and
  - Power infrastructure: $73 billion;
  - Broadband infrastructure: $65 billion;
  - Water infrastructure: $55 billion;
  - Resiliency and western water storage: $50 billion; and
  - Remediation of Superfund and Brownfield sites and other projects: $21 billion.
- Streamlines the federal permitting process and environmental reviews.
- Does not include any new tax increases on individuals or small businesses.

IRS Releases Additional Guidance on Employee Retention Credit

Earlier this week, the Internal Revenue Service (IRS) released additional guidance on the employee retention credit, including guidance that addresses changes made by the most recent COVID-19 relief law (American Rescue Plan Act of 2021). These changes are applicable to the third and fourth quarters of 2021.

The changes made to the employee retention credit in the American Rescue Plan Act of 2021 include:

- Making the credit available to eligible employers that pay qualified wages after June 30, 2021, and before January 1, 2022;
- Expanding the definition of eligible employer to include “recovery startup businesses”;

- Modifying the definition of qualified wages for "severely financially distressed employers"; and
- Providing that the employee retention credit does not apply to qualified wages taken into account as payroll costs in connection with a shuttered venue grant or a restaurant revitalization grant.

The guidance also responds to miscellaneous questions that the Treasury Department and the IRS have been asked about the employee retention credit that apply to both 2020 and 2021, including:

- The definition of full-time employee and whether that definition includes full-time equivalents;
- The treatment of tips as qualified wages and the interaction with the section 45B credit;
- The timing of the qualified wages deduction disallowance and whether taxpayers that already filed an income tax return must amend that return after claiming the credit on an adjusted employment tax return; and
- Whether wages paid to majority owners and their spouses may be treated as qualified wages.

Reporting: Eligible employers will report their total qualified wages and the related health insurance costs for each quarter on their employment tax returns (generally, Form 941) for the applicable period. If a reduction in the employer's employment tax deposits is not sufficient to cover the credit, certain employers may receive an advance payment from the IRS by submitting Form 7200, Advance Payment of Employer Credits Due to COVID-19.

For any further questions, please contact NDA's Director of Government Affairs Kevin McKenney at kmckenney@demolitionassociation.com.