

Publications

This Week From the Hill (March 10 – 16, 2024)

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Each week while Congress is in session, our [Policy](#) team delivers a key update to highlight a topical benefits, health, or retirement news item from the Hill, such as a newly introduced bill, a summary of a committee hearing, or another hot-button matter.

On March 11, President Biden released his Administration's \$7.3 trillion [budget](#) for Fiscal Year 2025 after previewing many of these items in his State of the Union address on March 7. Many of the FY 2025 budget proposals track proposals made in prior Biden Administration budgets. Although most of these proposals are unlikely to be considered or become law in this Congress with Republicans in control of the House of Representatives and the Democrats holding a very slim majority in the Senate, they do reflect the Administration's budget priorities heading into the November elections and the upcoming expiration of many of the tax provisions of the Tax Cuts and Jobs Act of 2017. We will be doing a more extensive summary of the key health, retirement and executive compensation proposals in the budget in coming days. Among the budget's spending and tax-related proposals are:

Department of Labor – \$318 million increase to \$13.9 billion

- Instituting a “national, comprehensive paid family and medical leave program administered by the Social Security Administration to ensure that all workers can take up to 12 weeks of leave;”
- Appropriating an additional \$275 million for enforcement of mental health parity requirements in the large group health plan sector;

Department of Health and Human Services – \$4.8 billion increase to \$133.8 billion

- Making permanent the expanded Affordable Care Act premium tax credits from the *Inflation Reduction Act*;
- Guaranteeing affordable childcare from birth to kindergarten for families earning under \$200,000;
- Expanding the \$35 cap on insulin to the private insurance market;
- Expanding the \$2,000 out-of-pocket prescription drug co-pay cap to the private insurance market;
- Providing Medicaid-like coverage to states that have not expanded Medicaid;

- “Increasing the pace” of prescription drugs selected for price negotiations under Medicare;

- Limiting cost-sharing for high-value generic drugs for Medicare recipients to \$2 or less;

Tax Provisions

- Instituting a 25% minimum income tax rate on total income (including unrealized capital gain income) on households with net wealth more than \$100 million;
- Raising the top individual income tax rate to 39.6% for those making more than \$400,000 a year;
- Increasing to 21% the minimum income tax rate on corporations valued at \$1 billion or above;
- Increasing to corporate income tax rate to 28%;
- Increasing from 3.8% to 5% the net investment tax rate and the additional Medicare tax rate for high-income taxpayers;
- Increasing the Social Security payroll tax an unspecified amount;
- Expanding the Child Tax Credit;
- Eliminating the preferential capital gains tax rate for individuals with incomes over \$1 million; and
- Denying corporate deductions for executive compensation exceeding \$1 million for C corporations.

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