The (Evident) Demise of the BBBA

DOUGLAS HOLTZ-EAKIN | DECEMBER 20, 2021

The big news yesterday was U.S. Senator from West Virginia Joe Manchin announcing he cannot support the Build Back Better Act (BBBA), seemingly dooming the legislation. This set off a firestorm of finger-pointing and accusations of bargaining in bad faith on the left and sighs of relief on the right. AAF has tracked the BBBA , well, seemingly forever. One lesson that came through was that BBBA was more than just an enormous tax-and-spend bill, more than just a sweeping set of policy initiatives, and more than just a high-wire (reconciliation) process. It was a collection of poorly designed policies.

There is no reason for a person making $100,000 to get the same child tax credit as someone making $10,000. Any reform to the credits should have more serious means testing. There is no reason that child care subsidies should start by doubling the cost of child care providers. Any child care subsidy program should not rely on ever-larger taxpayer largesse to make child care "cheaper." There is no reason that a paid leave proposal should replace every dollar of private-sector paid leave with taxpayer funds. Any paid leave program should be targeted at low-income workers. There is no reason that the climate provisions should distort the market for electric cars, undercut state labor laws, and violate World Trade Organization rules. A real climate initiative will not be disguised industrial policy, union boosting, or just plain protectionism.

And I could go on.

This is important because these issues will not evaporate along with Manchin's vote. These specific proposals will remain on the shelf in congressional offices and will be brought back to legislative life at the first opportunity. Hopefully, however, they will be revived under regular order and receive full scrutiny during committee hearings and markups. If the American voter sends the message that these issues are real problems, it will be necessary to construct some real solutions.