Biden REPEATS his debunked claim that his multi-trillion dollar spending plan costs nothing and says people don't understand what's in it

Emily Goodin

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Joe Biden repeated his questionable claim Thursday night that his multi-trillion spending plan will not cost anything, which some experts have called 'delusional.'

The president made the remark at the top of his town hall meeting on **CNN**, saying: 'By the way, all this paid for. Every single penny. It's not going to raise one single cent.'

Biden also acknowledged that his congressional agenda is hard to understand. He has two pieces of legislation he's pushing: his infrastructure plan that funds traditional projects like roads, bridges and airports and he has a second plan that focuses on social programs. That second plan has been called a budget package, a reconcilitation bill, and his Build Back Better bill.

'We have two plans. One is the infrastructure plan, roads, highway, bridges, buses, trains, et cetera. And the other one is what I call the care economy,' he said. 'So there's a lot of pieces in there. There's a lot that people don't understand.'

Biden's argument that his trillion-dollar spending plans will cost 'zero' is 'delusional,' some analysts warned, pointing out that everything has its price.

The president and his administration has repeatedly argued his spending deal - which increase funding for numerous fuderal programs involving education, healthcare and climate - will have no cost.

'The cost of the Build Back Better bill, in terms of adding to the deficit, is zero because we're going to pay for it all. In addition to that, half of it is a tax cut. It's not spending money; it's a tax cut for working-class people,' Biden said Wednesday during a speech in Scranton.

But some experts counter a price must be paid even if it's indirectly through a rise in goods and services instead of a hike in individual taxes.

'Everything gets paid for somehow. Of course if there's higher tax rates, somebody's going to pay for. So it's either going to be the companies are going to lower profits or they're gonna pass it on to consumers. That's called the market,' Joshua Sewell, a senior policy analyst with Taxpayers for Common Sense told DailyMail.com.

Biden plans to pay for his trillions of dollars in federal spending with revenue raises - tax increases on the wealthy and on corporations, repeatedly promising those making under $400,000 will not see a tax increase.

But that group could feel it in their pocket books in other ways, namely a rise in cost in goods and services and the possibility of stagnant wages among the working class, a group that Biden sees as his political base. He went to Scranton on Wednesday to make his case for his plan in part because of its blue-collar roots.

'The sad reality is that when you raise taxes on a business or a product, those tax increases are passed on to consumers through higher prices. Any Democrat that doesn't think that tax increases will mean higher prices is either lying or delusional,' David Williams, the president of the Taxpayers Protection Alliance, told DailyMail.com.

But the Biden administration argues the burden of an increased corporate tax rate falls on the company's profits.

'The argument that corporations would largely pass it on to consumers is a fringe view not supported by mainstream economists. For example, prices did not fall when the corporate tax rate was reduced in 2017. That is because the corporate tax is a tax on profits,' a White House official told DailyMail.com.

'The best economic evidence also contradicts the argument that a modest increase in corporate taxes will reduce investment or wages,' the official noted.

Higher corporate taxes usually result in lower payments to shareholders, lower wages, or higher product prices, a **CATO Institute analysis** found last year.

'We find that the incidence on consumers, workers, and shareholders is 31 percent, 38 percent, and 31 percent, respectively,' the libertarian think tank noted.

Additionally, workers could suffer in the long-run as companies invest less in equipment and can't meet demands for wage increases.

There are also concerns the president's Build Back Better agenda could cause inflation, particularly after the Federal Reserve Bank of San Francisco released research on Monday that suggested Biden's $1.9 trillion COVID relief bill earlier this year resulted in a temporary boost in inflation.

Inflations results in a spike in prices - gas prices are at a seven-year high and food prices rose 4.6% since September 2020, according to the Consumer Price Index.

Those costs are hitting consumers as wages have been essentially stagnant for the past few years, resulting in a decrease in people's buying power.

The White House blames the COVID pandemic for the inflation.

'We're dealing with a historic and evolving pandemic that is impacting our economy,' White House principal deputy press secretary Karine Jean-Pierre said Thursday at the daily press briefing.

She also indicated it started under Biden's predecessor in the Oval Office, Donald Trump.

'We got to think about the progress that we've made and how far we've come, from the mess that we inherited from the previous president,' she noted.

And the corporate tax increase could affect retirement accounts as IRAs and 401Ks are often major stock share holders in large corporations that would feel the tax burder. Tax hikes could result in less being paid out to the shareholders.

'Pension funds depend on the returns from their portfolios to pay benefits,' the conservative Heritage Foundation noted in **its May analysis**. 'For example, the New York State Teachers Retirement System holds about $2 billion of Amazon stock, among many others. If Amazon gets hit with higher taxes, that hit would mean less money for the teachers' retirement fund.'

Democrats argue that Biden's overall agenda will lead to an economic boom that would counter any worries about penalities on consumers and workers.

'Asking the wealthy and big corporation to pay their fair share is consistent with supporting long-term economic growth,' Democratic Rep. Don Beyer said earlier this month at a hearing of the Joint Economic Committee on Biden's agend.

'Moody's Analytics projected that passing both bills will increase GDP growth in 2022 to 5.3%. Similarly, the Economic Policy Institute projects that the two bills would add 4 million new jobs, including 556,000 manufacturing jobs and 312,000 construction jobs,' he added.

The **July analysis from Moody's** found Biden's plan 'will strengthen long-term economic growth, the benefits of which would mostly accrue to lower- and middle-income Americans. … The fiscal support it provides is only sufficient to push the economy back to full employment from the recession caused by the COVID-19 pandemic.'

Biden, meanwhile, argues the rich should pay what he calls 'their fair share.'

He has focused his fire power on the rich and wealthy corporations, portraying himself as againt Wall Street and in support of the average worker, an arguement his White House echoed on Thursday.

'We see the cost is zero because it's going to be paid for. And the way that we see it happening, is making sure that the wealthiest among us, the top corporations pay their fair share,' Jean-Pierre said.

His budget package of social programs, being called the 'reconciliation bill' because of the legislative process being used to get it through the Senate, remains a work in progress and lacks a final price tag.

Biden gave Democrats an end of the week deadline to come to consensus on a topline number for his plan, which funds education, healthcare and programs to combat **climate change**.

But to break the stalemate between the moderate and progressive wings of the **Democratic Party**, the $3.5 trillion plan will be cut nearly in half.

That final figure is looking to be between $1.75 trillion and $2 trillion.

As both wings of the Democrats gather to discuss how to trim the package, progressives are pushing to reduce the duration of many of the programs in the plan but preserve them all - even if its just for a short duration.

Moderates argue for focusing money on a smaller number of programs for the long term.

The path the Democrats take will determine how challenging it will be to balance the spending with new revenues to keep things debt-neutral.

Democrats are also arguing among themselves over the level of tax hikes needed to pay for the programs.

'There are a lot of ways to get there,' White House press secretary Jen Psaki said this week, declining to get into specifics into the pay-fors.

There are talks of Democrats dropping a hike in corporate and individual income tax rates to pay for their bill and instead using new ways to tax the wealthy and multinational corporations, **The New York Times** reported.

The change would come, in part, to satisify moderate Democrat Senator Kyrsten Sinema, who is against increasing taxes on either party. In the evenly-divided 50-50 Senate, the president cannot lose a single Democratic vote.

The new pay-for method could include increased funding for the IRS to collect taxes owed by corporations and high earners, and increased taxes on the income that multinational companies operating in the US earn overseas. Democrats argue that could raise at least $1 trillion over a decade.

Once their is a final bill, the Congressional Budget Office and the Joint Committee on Taxation will estimate how much it will cost and whether it will pay for itself.

But even that could have accounting 'gimmicks' that would not include the costs associated with extending provisions in the bill further down the line.

For example, there are reports the child tax credit would be extended by only one year instead of the four originally discussed as a way to cut costs.

However that provision, which is popular among voters, could simply be extended a year from now but the cost of that would not be included in the current legislation.

'We don't want to have a bunch of accounting gimmicks,' Sewell, the senior policy analyst with Taxpayers for Common Sense, said. 'If an expanded child tax credit is an important public policy measure, and enough members of Congress agree with that, then they need to find a way to pay for it.'

Other organizations, such as the Committee for a Responsible Federal Budget, agree.

'Rather than enact too many policies temporarily with arbitrary expirations, policymakers should aim to do a few things well – and at a lower cost when possible,' the group said.