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Trio of Lawmakers to Seek Tax Reform Revenues for Infrastructure.

DALLAS – A bipartisan trio of lawmakers intends to file a pair of House bills that would use revenues from international tax reform to fund infrastructure projects.

Rep. John Delaney, DMd., said Monday that he and Rep. Rodney Davis, RIll., will propose the Partnership to Build America Act that would create the American Infrastructure Fund to finance local and state projects.

As part of the effort, Delaney and Rep. Ted Yoho, RFla., will sponsor the Infrastructure 2.0 Act that would dedicate additional revenues through repatriation of corporate overseas earnings to stabilize and expand the federal Highway Trust Fund.

The proposals would provide an incentive for corporations to bring into the U.S. an estimated $2 trillion in overseas earnings, Delaney said, spurring private sector reinvestment and growth.

Delaney proposed similar measures in 2014 and again in 2015 with significant bipartisan support, but neither gained traction in Congress.

His third attempt at linking the repatriation of overseas earnings by U.S. corporations could be the answer to calls for more infrastructure funding, Delaney said.

“If the next President and leaders in Congress want to rebuild America in a fiscally responsible way that has deep bipartisan support, we’ve given them a blueprint,” he said. “A bold infrastructure-tax deal that combines legitimate support for new projects and progrowth reform would be transformative for the country, for our economy and our quality of life.”

However, Rep. Kevin Brady, RTexas, chairman of the House Ways and Means Committee, has said any revenue resulting from corporate tax reform should be used for overall tax reforms rather than just dedicated to infrastructure.

House Speaker Paul Ryan, RWis., and other House Republicans support Brady’s stance, but Senate Republicans seem to be more open to the idea of linking tax reform with infrastructure funding.

“I think there’s an interest among our members, in both the House and the Senate in doing something on infrastructure, but my guess is if that gets done, it probably hitches a ride on tax reform,” said Sen. John Thune, RS.D., chairman of the Senate Commerce Committee and third ranking Republican in the Senate.

“I don’t know that just an infrastructure bill on its own, a standalone, would go anywhere,”

Thune told reporters last week. “I think it would have to be coupled with something that we view to be really advantageous in terms of stimulating the economy.”

The Partnership to Build America Act would capitalize the infrastructure fund with $50 billion of proceeds from the sale of 50year, 1% fixed rate bonds that would be purchased by companies willing to bring back overseas earnings.

These bonds are not intended to be a good investment on their own but would be transferable, Delaney said.

For every $1 invested in the bonds, the companies would be allowed to bring back an estimated $4 of foreign profits without paying any U.S. tax. The ratio would be set through a reverse Dutch auction, which Delaney said would allow the market to set final rates of return.

Local governments could use low-interest loans from the AIF for transportation, communications, education, and water projects.

At least 25% of the projects financed through the AIF must be public-private partnerships with at least 20% of project financing coming from private capital.

The Infrastructure 2.0 Act would provide six years of Highway Trust Fund solvency by supplementing revenues from federal fuel taxes and other dedicated fees, Delaney said.

The measure would levy a mandatory onetime tax of 8.75% on existing overseas corporate profits to replace the current rate of 35% on earnings brought into the U.S.

The tax proposal would generate $120 billion for the HTF and $25 million for a pilot program of regional infrastructure planning groups, according to Delaney.

The legislation also would create a bipartisan House and Senate joint commission tasked with developing a solution for permanent solvency of the HTF, he said.

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