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## **6 Things For State and Local Governments to Watch With Democrats' Climate and Tax Deal.**

**With billions in proposed spending, the package could affect both government programs and regional economies.**

The unexpected climate and tax deal Democrats in the U.S. Senate announced this week raises the possibility of billions in new federal spending that would help to support state and local government programs, while also potentially spurring new economic development and jobs around the country.

Central to the plan is \$369 billion for programs meant to cut carbon emissions, restore land, reduce pollution in disadvantaged neighborhoods, lower energy costs and strengthen domestic manufacturing of products like wind turbines and electric vehicles. On the revenue and savings side, estimates released by Democrats show the bill would raise \$739 billion through a mix of drug pricing reforms and tax measures, including a 15% corporate minimum tax.

Democrats say the deal would not increase taxes on households earning up to \$400,000 a year or small businesses. And the watchdog group Committee for a Responsible Federal Budget says the bill would reduce federal deficits by more than \$300 billion over a decade.

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