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Key Takeaways from President Biden's Fiscal Year 2023 Budget Request Updated March 28, 2022

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The President's annual budget request to Congress is more than a funding wishlist—it is, in President Biden's words, "[a statement of values.](#)" The budget indicates which policy changes are high on the White House's to-do list. It also offers guidance to Congress as members craft spending bills for the upcoming year and can help Congress determine which bills will take priority on the legislative calendar.

Below are just a few of the policies highlighted in the Fiscal Year (FY) 2023 White House budget, which puts an emphasis on fairer taxes for billionaires and corporations, combatting the climate crisis and protecting our communities, and lowering costs for families. Neither the spending levels proposed nor the policies noted in the President's budget have the force of law: it is incumbent upon Congress to pass legislation enacting those spending levels and policies.

Key Takeaways from the President's Budget

Fairer Taxes for Billionaires and Corporations. The President's budget proposes closing one loophole that the ultra-wealthy have exploited to avoid paying taxes on their fortunes. Under the President's proposed Billionaire Minimum Income Tax, billionaires would start paying income taxes on the gains in their wealth each year, just like workers pay taxes on their paychecks—a significant step to bring the country closer to a level playing field where billionaires play by the same rules as working families. If enacted, the White House proposal would raise an estimated \$360 billion. This revenue could be used to fund services Americans need, such as health care for seniors, action to clean up polluted communities, improved public transit, and much more. In addition, the President's budget would raise the corporate tax rate on profits to 28 percent. For more information on the Billionaire Minimum Income Tax, [check out this one-pager](#) from the Progressive Caucus Action Fund (PCAF). To learn more about taxing the mega-rich, [check out this PCAF explainer](#).

Combatting the Climate Crisis and Protecting Our Communities. The budget seeks roughly \$50 billion to address the climate crisis worldwide. This funding would pay for new clean energy projects, create jobs via a new Civilian Climate Corps, help developing nations deploy alternatives to fossil fuels, and more. The White House aims to fund these initiatives by ending tax breaks for the fossil fuel industry. The President's budget also proposes a 29 percent boost to the Environmental Protection Agency's (EPA) budget, bringing the agency's funding to an all-time high. This increase would allow the agency to target investments in disadvantaged communities that have suffered disproportionately from pollution, clean up toxic per- and polyfluoroalkyl substances (PFAS), and more. Finally, the President's budget seeks nearly \$11 billion in international climate finance, including \$1.6 billion for the United Nations Green Climate Fund, which aims to help developing nations shift to clean energy and deal with the impacts of climate change.

Lowering Costs for Families. The White House budget sets aside "a deficit neutral reserve fund" to finance policy changes that will help lower costs for working families. Among the policies highlighted in the budget are child care, long-term care, housing, preschool for all, up to two years of free community college, paid family and medical leave, and an enhanced Child Tax Credit and Earned Income Tax Credit. According to the White House, the precise funding levels sought for these priorities are not itemized "because discussions with Congress continue" and Congress will ultimately need to pass legislation to enact these proposed changes. The budget does suggest, however, that these priorities be financed via "tax and prescription drug reforms."

Next Steps

Again, the President's budget does not have the force of law. Congress will soon draft spending bills for the year ahead and will determine whether to incorporate or exclude proposals in the President's budget. As this process begins, Congress should prioritize funding for solutions that will ease the burden on working families as they grapple with rising prices—all while [corporate elites report skyrocketing profits](#). In addition, Congress ought to ensure next year's spending bills improve the lives of *all* families and do not perpetuate systemic harms. One way to do this is to rethink the [historically bloated and wasteful Pentagon budget](#) and invest instead in assistance families need to afford health care, housing, child care, and much more. Congress should also end policies that have harmed immigrant families and, at long last, move towards a more humane system that treats immigrants with dignity and respect. Such changes would help to fulfill the President's promise of growing the economy from the bottom up and the middle out.