

SUMMARY: THE INFLATION REDUCTION ACT OF 2022

Updated: August 11th, 2022

The *Inflation Reduction Act of 2022* will make a historic down payment on deficit reduction to fight inflation, invest in domestic energy production and manufacturing, and reduce carbon emissions by roughly 40 percent by 2030. The bill will also finally allow Medicare to negotiate for prescription drug prices and extend the expanded Affordable Care Act program for three years, through 2025.

Additionally, the agreement calls for comprehensive Permitting reform legislation to be passed before the end of the fiscal year. Permitting reform is essential to unlocking domestic energy and transmission projects, which will lower costs for consumers and help us meet our long-term emissions goals.

TOPLINE ESTIMATES:

TOTAL REVENUE RAISED	\$737 billion
<i>15% Corporate Minimum Tax</i>	<i>222 billion*</i>
<i>Prescription Drug Pricing Reform</i>	<i>265 billion***</i>
<i>IRS Tax Enforcement</i>	<i>124 billion**</i>
<i>1% Stock Buybacks Fee</i>	<i>74 billion*</i>
<i>Loss Limitation extension</i>	<i>52 billion*</i>
TOTAL INVESTMENTS	\$437 billion
<i>Energy Security and Climate Change</i>	<i>369 billion*</i>
<i>Affordable Care Act Extension</i>	<i>64 billion**</i>
<i>Western Drought Resiliency</i>	<i>4 billion***</i>
TOTAL DEFICIT REDUCTION	\$300+ billion

* = Joint Committee on Taxation estimate

** = Congressional Budget Office estimate

*** = Senate estimate, awaiting final CBO score

The Inflation Reduction Act:

1. **Expands Medicare benefits:** free vaccines (2023), \$35/month insulin (2023) and caps out-of-pocket drug costs to an estimated \$4,000 or less in 2024 and settling at \$2,000 in 2025
2. **Lowers energy bills:** cuts energy bills by \$500 to \$1,000 per year
3. **Makes historic climate investment:** reduces carbon emissions by roughly 40% by 2030
4. **Lowers health care costs:** saves the average enrollee \$800/year in the ACA marketplace, allows Medicare to negotiate 100 drugs over the next decade, and requires drug companies to rebate back price increases higher than inflation
5. **Creates manufacturing jobs:** more than \$60 billion invested will create millions of new domestic clean manufacturing jobs
6. **Invests in disadvantaged communities:** cleaning up pollution and taking steps to reducing environmental injustice with \$60 billion for environmental justice
7. **Closes tax loopholes used by wealthy:** a 15% corporate minimum tax, a 1% fee on stock buybacks and enhanced IRS enforcement
8. **Protects families and small business making \$400,000 or less**