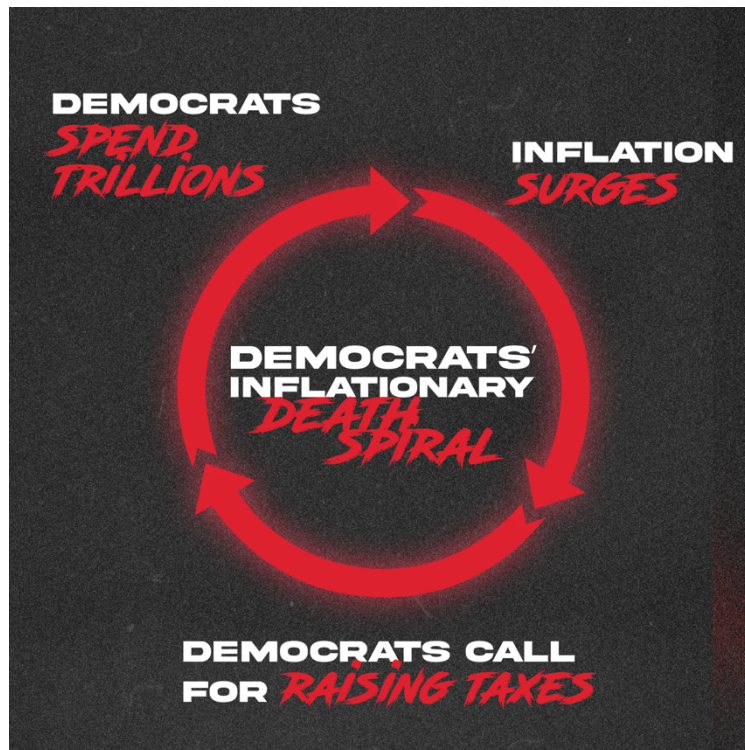




## **CHIPS is a Green Light for Schumer–Manchin Tax Hikes, Inflationary Spending, and Corporate Welfare**

Democrats have confirmed: CHIPS is a green light for higher taxes, worse inflation, and corporate welfare, just as President Biden’s cruel economy fell into a recession for the second quarter in a row. Democrats’ Inflation Reinforcement Act will only reinforce this inflationary death spiral.



### **Democrats’ Plan: CHIPS, then higher taxes and worse inflation**

- All along, Democrats’ plan was to use CHIPS to pave the way for tax increases.
- If congressional Democrats succeed in providing \$76 billion in corporate subsidies and carveouts to politically connected corporations, their next step will be tax increases, greater IRS audits, and inflationary spending that will hurt everyone else.
  - \$76 billion in handouts/corporate welfare to large profitable chipmakers handpicked by Democrat leadership
  - \$280 billion in total spending
- Even before Democrats made their intentions clear, the *Wall Street Journal*/noted that CHIPS “isn’t needed to compete with China, and it will set a precedent that other industries will follow. Anybody who can throw up a China competition angle will ask for money.”

## Democrats fueled inflation that's crushing families, and their "Inflation Reinforcement Act" will make it worse.

- According to the San Francisco Federal Reserve, Democrats' \$2 trillion so-called "stimulus" triggered inflation. As a result, the typical family now has to spend nearly \$6,000 more this year to buy the same goods and services they did a year ago.
- Now they want to make it worse by proposing \$800 billion in new spending in a "Inflation Reinforcement Act."
  - **Higher taxes, more spending:** Democrats seek \$740 billion in new revenue, including \$480 billion in tax hikes.
  - **Taxes that Hit the Middle Class and Send Jobs Overseas:** Democrats' seek \$318 billion by imposing a Made-in-America tax – but with a carveout for politically favored companies. The JCT found that 25 percent of the burden of Democrats' tax hikes would be borne by workers in slashed wages.
  - **Higher prices at the pump:** With gas prices higher than they were a year ago thanks to President Biden's war on American-made energy, now Democrats seek \$24 billion in new taxes on American-produced oil and gas.
  - **A supercharged IRS that will audit family-owned small businesses:** Democrats want to hire 80,000 new IRS agents to audit individuals and small businesses. The IRS has already been found to target lower and middle income earners.
  - **More corporate handouts:** \$64 billion in subsidies for insurance companies, \$369 billion in Green New Deal spending, and \$250 billion in Solyndra-style DOE loan programs.
  - **Killing cures with Washington price controls:** Democrats are reviving their socialist drug pricing scheme that will lead to a reduction of up to 342 cures according to a study by the University of Chicago.
  - **Higher health insurance prices:** Democrats want to put a down payment towards spending \$220 billion in Obamacare subsidies even as their current spending has already resulted in higher health care prices and 17 percent health insurance inflation.

**Bottom Line:** Biden's cruel economy is now in a recession that's crushing families, and their Inflation Reinforcement Act will slow economic growth further and push us into an inflationary death spiral.