



United States House Committee on
Ways & Means
CHAIRMAN JASON SMITH

One Year Later: “Inflation Reduction Act” Robbing Taxpayers & Patients to Benefit the Wealthy, Big Banks, Billion-Dollar Companies, China, & the IRS

Inflation Reduction Act (IRA) Tax Credits Benefit the Wealthy & Well-Connected:

Total Cost of Democrats’ Green Corporate Welfare Is Exploding. Already in the billions, Democrats’ special interest enviro tax breaks for the wealthy and politically connected will cost hundreds of billions more than the American people were told.

- The Joint Committee on Taxation (JCT) now estimates that the special interest tax breaks will cost at least **\$650 billion**, a **240 percent** increase above the original score.
- The \$7,500 EV tax credit alone will cost **\$101 billion vs. \$14 billion** originally estimated.
- The electric vehicle battery production credits will now cost taxpayers over **\$196 billion** – a **542 percent** increase from the law’s original sticker price.
- It is now clear the IRA will add hundreds of billions in new debt.

Inflation Reduction Act Benefits...the Wealthy. The IRA does nothing to reduce inflation for working families but gives a \$7,500 tax credit for luxury electric vehicles and expands Obamacare subsidies to the wealthy.

- **78 percent** of EV tax credits are claimed by filers earning over six figures. (Source: Manhattan Institute).
- **73 percent** of electric vehicle owners covered by the law’s \$7,500 EV tax credit would have purchased an EV anyway. (Source: Brookings Institution).
 - IRA included a \$4,000 tax break for the wealthy to sell their used luxury EVs.
- IRA spent **\$64 billion** to expand Obamacare taxpayer subsidies to wealthy households making up to **\$600,000**.

Inflation Reduction Act Benefits Billion-Dollar Corporations. Tax credits are a massive transfer of wealth from working families to big business.

- **90 percent** of the IRA’s special interest tax breaks will flow to companies that make over \$1 billion in sales every year according to JCT.

Inflation Reduction Act Benefits Big Banks. Taxpayers are being forced to pay for Wall Street’s ESG obsession that hurts the value of seniors’ retirement accounts.

- As confirmed by JCT, Banks and other financial institutions claim **three times** as much of these special interest tax breaks as any other industry, including utilities.

Inflation Reduction Act Uses Taxpayer dollars to Reward China and other Nations. With the help of the Biden Administration, foreign entities of concern, including those tied to the Chinese Communist Party, are lining up to soak up Democrats' corporate welfare.

- Chinese manufacturers could take up to **\$125 billion** in renewable energy credits from the IRA. (Source: Coalition for a Prosperous America)
- Chinese companies accused of using forced labor are using IRA taxpayer funded credits to establish a home base in states like [Michigan](#), [Arizona](#), [Ohio](#), and [Florida](#).
- The Biden Administration is lowering trade standards through non-Congressionally approved frameworks that offer foreign countries billions of taxpayer dollars and keep America dependent on China for critical minerals used in energy production.

Inflation Reduction Act Kills New Life-Saving Drugs, Raises Costs for Patients, Expands Obamacare:

IRA policies are already limiting access to new cures and making prices more expensive.

Democrats' drug price control scheme will permanently chill innovation, leading to fewer life-saving drugs and higher costs for patients.

- **More than 130 new drugs may no longer benefit patients**, including drugs that treat blood cancers, ovarian cancer, or a rare eye disorder. (Source: University of Chicago)
- Up to **135,900 direct jobs** and up to **676,000 indirect jobs** will be threatened by the drug pricing scheme.
- More than **75 percent** of innovative pharmaceutical companies anticipate cuts to current research projects.
- The Congressional Budget Office predicts the IRA will **raise drug launch prices**, reserving new cures for only the wealthiest Americans.

Inflation Reduction Act Supercharges the IRS to Audit More Working Families:

Democrats handed \$80 billion to the IRS, an agency with a history of targeting conservatives.

Money was supposed to hire 87,000 new employees to return audit rates to 2010 - an increase of audits on families making less than \$400,000.

- Returning to 2010 audit rates means more than **1 million additional audits** per year with more than **600,000 new audits** for taxpayers making less than **\$75,000**.
- **87,000** new agents would more than double the size of the IRS, giving the agency more employees than Border Patrol agents, and the FBI, State Department, and Pentagon combined.
- On top of the \$80 billion in the IRA, the Biden Administration requested another **\$43 billion** in its FY24 Budget for the IRS, 91 percent would go toward more operations and enforcement.
- The Fiscal Responsibility Act zeroed out the IRS's enforcement budget and prevented new agents from being hired for FY2023.