



United States House Committee on  
**Ways & Means**  
CHAIRMAN JASON SMITH

## **Inflation Reduction Act: The Foundation of a Democrat Agenda that Grows the Bureaucracy, Harms Patients, and Benefits the Wealthy, the Well-Connected, & China**

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

**Total Cost of Democrats' Green Corporate Welfare Is Exploding.** Democrats' special interest 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 originally claimed sticker price.
- Numerous outside entities have estimated the IRA's green corporate welfare will cost **well in excess of \$1 trillion**.

**Inflation Reduction Act Benefits...the Wealthy.** The IRA gives wealthy taxpayers 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.
- **60 percent** of tax credits for purchasing various "green energy" technologies – including EVs and solar panels – have gone to the highest income earners in the country. (Source: National Bureau of Economic Research)
- **73 percent** of electric vehicle owners covered by the law's \$7,500 EV tax credit would have purchased an EV anyway according to the Brookings Institution.
  - IRA also included a \$4,000 tax break for the wealthy to sell their used luxury EVs.
- IRA charged taxpayers **\$64 billion** to expand Obamacare taxpayer subsidies to wealthy households making as much as **\$599,000**.

**Inflation Reduction Act Benefits Billion-Dollar Corporations.** IRA 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.
- **\$362 million from IRA** goes to corporate America to make their offices more "green."

**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 "green" 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-Harris Administration, foreign entities of concern (FEOC), including those tied to the **Chinese Communist Party (CCP)**, are lining up to soak up Democrats' corporate welfare.

- The Biden-Harris Administration is lowering trade standards through non-Congressionally approved frameworks and "critical mineral deals" that offer foreign countries billions of taxpayer dollars and keep America dependent on China for critical minerals.
- The Biden-Harris Administration's final rule implementing the supposed IRA restrictions on

FEOCs still allows certain EV and battery components directly sourced from the CCP to receive U.S. taxpayer funded subsidies.

- Chinese manufacturers could take up to **\$125 billion** in renewable energy credits from the IRA. (Source: Coalition for a Prosperous America)

## IRA 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' IRA 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 according to the 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.
- The Biden-Harris Administration recently announced plans to provide a **taxpayer-funded bailout** to insurance companies to cover-up the rise in Part D premiums caused by the IRA.

### **Expanded Obamacare Subsidies Explode Taxpayer Spending and Perpetuate Fraud.**

- Obamacare spending is now projected to be **\$382 billion more** over the next decade than it was prior to passage of the IRA.
- Reports indicate as much as **\$26 billion** in annual Obamacare payments may be fraudulent.

## IRA 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**. Under pressure from Republicans, the IRS now says it will apply 2018 audit rates. It remains to be seen how many thousands of audits the IRS imposes on the American people.
- **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 \$12.32 billion enacted for FY23, and the \$12.32 billion enacted for FY24, the Biden-Harris Administration requested another **\$12.32 billion** in its FY25 Budget for the IRS, **77 percent** of which would go toward enforcement and operations support.
- The Fiscal Responsibility Act of 2023 rescinded **\$1.4 billion** in unobligated IRA enforcement funding, and the Further Consolidated Appropriations Act in 2024 rescinded **\$20.2 billion** in IRA enforcement funding.