



FOR IMMEDIATE RELEASE  
August 7, 2022

## **STATEMENT OF AMERICANS FOR TAX FAIRNESS ON SENATE PASSAGE OF THE INFLATION REDUCTION ACT**

Washington, D.C. – Statement of Frank Clemente, executive director of Americans for Tax Fairness:

On behalf of the [hundreds of endorsing organizations](#) of the Americans for Tax Fairness coalition, I applaud Senate passage of the historic Inflation Reduction Act (IRA). This legislation requires some of the nation's most profitable corporations and wealthiest citizens to begin to contribute a fairer share of taxes to reduce the costs of essentials for working families and to make critical investments to save our planet from the devastation of climate change.

Enactment into law of the IRA will represent a historic rebuke of failed supply-side economics. Hopefully, it signals an end to 40 years of Congress cutting taxes on the rich and corporations based on the false notion that the benefits will trickle down to working people.

The IRA will improve the lives of Americans by bringing down the costs of prescription drugs, health insurance and home energy bills and by tackling the climate crisis that threatens our communities with fires, floods and droughts. It is fully paid for by curbing drug-company price gouging and by making corporations and the wealthy pay a fairer share of taxes. No taxes will be raised on anyone making less than \$400,000 a year, and the federal deficit will be reduced by about \$300 billion.

Public support for the bill is robust: a [collection of polls show](#) the IRA and the tax reforms it would make are strongly supported by voters. That includes a recent poll showing that almost two-thirds (64%) of respondents backed the bill's 15% minimum corporate tax, including 48% of Republicans.

The IRA would ensure very large and profitable corporations pay closer to their fair share of taxes and crack down on rampant tax evasion by the wealthy and use that revenue to fund historic investments in clean energy that will cut household energy costs by an [average of \\$500 a year](#), tackle the climate crisis by significantly reducing carbon emissions and create thousands of good-paying jobs.

The major tax reforms included in the Inflation Reduction Act, which will [raise close to \\$500 billion](#), will:

- Create a 15% minimum income tax on corporations with at least \$1 billion in profit, many of which now pay little or nothing. The 15% corporate minimum tax will end the national outrage of dozens of huge profitable corporations like [Amazon, FedEx and Nike](#) paying little or nothing in federal income taxes. The Joint Committee on Taxation estimates that in 2019 somewhere between 100 and 125 corporations that might be subject to the corporate minimum tax had financial statement income averaging about \$9 billion, yet paid an [average effective tax rate of just 1.1%](#).
- Substantially increase the IRS's budget and staffing levels to better catch rich tax cheats and improve customer service. Enhancing funding for IRS oversight of wealthy individual and corporate taxpayers could [raise \\$200 billion](#) to as [much as \\$400 billion](#) by making sure the rich and corporations pay what they owe. The richest 1% evade [paying \\$160 billion](#) in taxes every year.
- Assess a 1% excise tax on stock buybacks by publicly traded corporations. Taxing stock buybacks will, in addition to raising \$74 billion, limit excessive compensation of corporate insiders and promote sounder investment decisions that are more likely to benefit workers and communities.

Finally, though this bill is a major first step towards greater tax fairness, it is already a big compromise compared to what Democrats have promised voters over the past two years—and what voters want.

In 2020, Joe Biden [ran and won](#) on a promise to make major investments to improve peoples' lives paid for by raising taxes on the wealthy and corporations [by \\$3.3 trillion](#) through reforms such as rolling back the 2017 Trump tax giveaways, curbing offshore corporate tax dodging, and raising the top tax rate on the investment income of millionaires to match the top rate on wage income. Last year, the House of Representatives passed the Build Back Better Act, which would have made investments of about \$2.1 trillion, paid for by about [\\$1.8 trillion in taxes raised](#) from the wealthy and corporations.

This legislation could have done so much more to create a fairer tax system, including rolling back much of the Trump-GOP tax cuts, but for the obstruction of Sen. Kyrsten Sinema who put so many roadblocks up to protect corporate America, especially private equity, and the richest Americans.

###