



INFLATION REDUCTION ACT: TALKING POINTS & KEY FACTS

Congressional Democrats and President Biden are poised to enact the [Inflation Reduction Act](#) (IRA) over the unified opposition of Republicans and their big-money donors. Below are talking points and key facts about the plan.

TOPLINE TALKING POINTS

The Inflation Reduction Act will do a lot to improve the lives of Americans by bringing down the costs of prescription drugs, health insurance and home energy bills. It will tackle 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—including price-gouging oil companies—and the wealthy pay a fairer share of taxes. No taxes will be raised on people making under \$400,000 a year, and the deficit will be reduced by \$300 billion. Not one Republican in Congress is likely to support this sensible and fair plan benefiting working people.

DETAILED TALKING POINTS

- The Inflation Reduction Act [will lower prescription-drug costs](#) by allowing Medicare to negotiate for lower prices, capping out-of-pocket costs at \$2,000 a year for seniors and other Medicare recipients and penalizing drug corporations that raise their prices above the inflation rate.
- This bill will [help 13 million](#) Americans continue to afford health insurance under the Affordable Care Act, [saving them an average of \\$800 a year](#) in premiums.
- This legislation will make big investments in clean energy that will cut household energy costs by an [average of \\$500 a year](#), tackle the climate crisis by reducing carbon emissions and create thousands of good-paying jobs.
- **The Inflation Reduction Act is fully paid for by requiring corporations and the rich to pay a fairer share of taxes. That money will reduce the costs of essentials for working families.**
 - Giant corporations such as Amazon, FedEx and Nike—which pay little or no federal income taxes some years—will be required to pay *at least* a 15% minimum tax rate. That’s about the same tax rate paid by average Americans.
 - A tax loophole will be closed so that Wall Street money managers no longer pay a lower tax rate than teachers, firefighters and nurses.
 - The IRS will get a big boost in funding so that it can go after wealthy and corporate tax cheats to make sure they pay the billions in taxes they already owe.
 - There are no new taxes on anyone making less than \$400,000 a year.
- Because this plan is more than fully paid for, it will lower the deficit by more than \$300 billion, helping to reduce inflation.

- **Not one Republican in Congress is likely to support this sensible plan that will lower costs for working families and make corporations and the wealthy pay a fairer share of taxes.**
 - **They do not support giving Medicare the ability to negotiate prescription drug costs.** They want to protect the high profits drug corporations get from price gouging seniors.
 - **Virtually all Republicans in Congress oppose the Affordable Care Act, which helps families afford health insurance.** They do not want to give the program more money to help 13 million people keep their health insurance.
 - **Republicans deny we have a climate crisis.** They oppose shifting to a clean energy economy based on renewable energy like wind and solar. Instead, they want to protect the [huge profits that Exxon, Chevron](#) and other Big Oil corporations are making by price gouging consumers.
 - **Republicans always oppose making taxes fairer, even by closing tax loopholes used by big corporations and the wealthy to avoid paying their fair share, like the Inflation Reduction Act will do.**
 - Republicans oppose setting a 15% minimum tax on corporations even though some hugely profitable firms pay little or nothing in taxes and get big tax breaks when they shift jobs and hide profits offshore.
 - Republicans oppose closing the tax loophole that benefits rich Wall Street money managers who pay a lower tax rate than teachers, firefighters and nurses.
 - Republicans oppose giving the IRS more money to go after the rich and corporations that are cheating on their taxes. Republicans spent the last decade slashing IRS funding, which is why the [richest 1% avoid paying \\$160 billion a year](#) that they owe in taxes. It's why it takes so long for some people to get their tax refunds these days or to get someone at the IRS on the phone to answer a question.

KEY FEATURES OF THE INFLATION REDUCTION ACT

The IRA will [lower prescription-drug costs](#) for seniors and [healthcare premiums](#) for working families.

- Medicare will finally be allowed to negotiate with big drug corporations to bring down the price of prescriptions. Medicare recipients will have their out-of-pocket costs capped at \$2,000 a year. Drug corporations that raise prices above the inflation rate will be penalized. These measures will save seniors and taxpayers hundreds of billions of dollars in medication costs.
- Expanded Affordable Care Act (ACA) subsidies that were scheduled to expire this year will instead be extended for three years, making healthcare coverage affordable for 13 million people. It will [save them an average of \\$800 a year](#) in premiums.
- The IRA may also include a [\\$35 per month cap on insulin costs](#) to make it easier for diabetic patients to afford the treatment they need to stay healthy.

The IRA will make the [biggest investments ever in clean energy](#) to reduce peoples' home energy bills and the risks of climate damage.

- Investments in renewable energy such as wind and solar and other measures will cut families' household energy costs by an average of \$500 a year, tackle the climate crisis by reducing carbon emissions and create thousands of good-paying jobs.
- Tax credits will spur greater investment in electric cars and other forms of clean transportation, low-emission manufacturing, and green construction.

- Catastrophic carbon emissions that are warming the planet will be [reduced by 40% as of 2030](#).
- The plan will clean up old pollution in traditionally underserved areas, like Black and Latino urban neighborhoods and rural areas.

The IRA will end the scandal of huge corporations paying little or nothing in taxes despite making billions in profits.

- It will impose a [15% minimum tax](#) on America's biggest corporations, some of which now go years [paying little or nothing](#) despite making billions in profits. Big names like Amazon, FedEx, Netflix, Nike and Verizon are paying much less in taxes some years than small businesses and working people pay.
- Year after year these corporations report record profits to shareholders but pay a lower tax rate than nurses, firefighters and teachers.
- A family making less than \$400,000 will not pay one penny in additional taxes under this bill. Despite phony Republican claims that the middle-class will pay more in taxes, this tax only applies to about 200 huge corporations that each make more than \$1 billion in profits a year.
- This 15% minimum tax would ensure that [prescription drug and high tech corporations](#), and apparel companies, which avoid taxes by manufacturing their drugs, phones and shoes abroad and by stashing their profits in tax havens, will finally start paying closer to their fair share.
 - For example, drugmaker AbbVie, which makes Humira and Botox, [booked 99% of its income offshore in 2020](#) when 75% of its sales were here in America. As a result, AbbVie pays a [tax rate averaging only about 10%](#).
- Republicans have been making the same false trickle-down tax cut claims for decades. Remember, they promised workers that employers would give them big wage increases after the Trump-GOP tax cuts were passed. Corporations got their huge tax cut and their after-tax profits soared, but workers didn't get their share. Now they're saying this legislation will raise taxes on the middle-class. This legislation will not do that.

For more see these tweet threads:

[Jean Ross, Center for American Progress](#)

[Frank Clemente, Americans for Tax Fairness](#)

[Chuck Marr, Center on Budget and Policy Priorities](#)

The IRA will modernize the IRS so it serves taxpayers better and enable it to better [catch rich and corporate tax cheats](#) who evade paying what they owe in taxes.

- Because of Republican budget cuts over the last decade, the IRS lacks the resources to catch rich tax cheats: funding and staffing are each down by at least 20% over the past decade. As a direct result, audits of corporations are down by over half and of millionaires by almost three-quarters.
- While most taxpayers pay what they owe, many of the rich and corporations do not. The highest-income 1% avoid paying \$160 billion a year in taxes they owe.
- This legislation will provide the funds needed for the IRS to hire many more people to crack down on wealthy and corporate tax cheats and to service taxpayers wanting to [get their tax refund on time](#) or their [phone calls answered](#). As a result, the IRS will raise [\\$125 billion more over 10 years](#) by collecting unpaid taxes from big corporations and people making more than \$400,000 a year.