



**From:** Chairman Jim Banks

**To:** RSC Member Offices

**Re:** 52 Radical Policies in the Inflation *Reinforcement* Act

**UPDATED: 52 RADICAL POLICIES IN THE INFLATION REINFORCEMENT ACT**

Working Americans have suffered through record inflation, historic gas prices, and now an official recession. After two years of Biden, voters simply don't have the stomach for another extravagant leftist spending package.

That's why Democrats are selling their revived reconciliation boondoggle as a *limited* attempt to improve the economy.

But the so-called "Inflation Reduction Act of 2022" will drive us deeper into the Biden recession by raising taxes on American families, manufacturers, and energy producers. Penn Wharton has already proved the claim it will fight inflation is a complete farse. That's reason enough to vote against the package.

Republicans also must communicate that this bill is *transformative*. It is just as radical and destructive as Democrats' "Build Back Better" proposal and that is why they are trying to push it through on entirely partisan lines.

RSC staff produced the below list of far-reaching and far-left cultural and economic policies hidden in bills 725 pages of legislative text:

1. **Build Back Beijing:** The \$369 billion in giveaways to green special interests will significantly increase our reliance on China—which controls [80 percent](#) of the rare earth minerals necessary for supporting the Democrats' expensive and unreliable green energy agenda. The bill is almost completely devoid of guardrails that prevent hundreds of billions of taxpayer dollars from effectively [subsidizing](#) the Chinese Communist Party and their genocide of the [Uyghur Muslims](#).
2. **[UPDATE] Idiotically Boosts Taxes During a Recession:** The 15% minimum tax on book income amounts to a double tax in the middle of a recession while raising prices and killing jobs – something that former President Obama and [Senator Manchin](#) have both argued makes no sense. When reporting book income, companies are prevented from deducting the cost of investments in equipment, structures, research and development and other projects that increase productivity. While the bill now allows some capital investments to be deducted from book income calculations, [the bill would still kill jobs, reduce growth and make inflation worse by reducing productivity. \(page 2\)](#)
3. **Fake Deficit Reduction:** The Democrats claims of deficit reduction are based on cynical gimmicks. The Democrats only extend their expanded Obamacare spending for three years when everyone knows they will keep pushing to have it extended permanently, a gimmick that [Senator Manchin has previously condemned](#). Accounting for this gimmick, the spending on the

Obamacare bailout is [\\$184 billion more](#) than claimed by the Democrats. Second, the bill would spend more than [\\$400 billion](#) on Green New Deal giveaways when removing the fake two-year sunsets. Finally, the Congressional Budget Office will [score no savings](#) from the Democrats \$80 billion scheme to spy on and harass Americans with 87,000 new IRS agents. Even when allowing the imaginary savings from “repealing” President Trumps prescription drug rebate which was never implemented, the bill would still add [\\$114 billion](#) in new debt over 10 years. With the Senates changes to the revenue provisions, the bill will likely add even more in new debt.

4. **~~Carried Interest Tax Hike to Kill More Jobs:~~** ~~The bill would reduce American investment by increasing taxes on carried interest income by \$14 billion. Carried interest is simply a share of the gains made in an investment fund that is paid to managers of those funds. Taking these investments would kill jobs, cause pensions to lose billions of dollars, reduce wages for working class Americans, and make our current stagflation worse. (page 27)~~
5. **[NEW PROVISION] \$52 billion tax hike on small businesses:** Under current law, small businesses who file taxes as individuals are limited in their ability to deduct losses. This provision, along with the 20 percent deduction for small businesses included the Tax Cuts and Jobs Act, is set to expire after 2026. In a last minute amendment, Senate Democrats extended the limit on small business losses but did not extend the 20 percent pass through deduction. This amounts to a \$52 billion tax hike on small businesses. Worse, this amendment was included to replace an extension on the cap on the State and Local Tax Deduction as a pay-for. In short, Democrats are forcing small businesses to pay \$52 billion in taxes in provide a corrupt and regressive [tax break to wealthy taxpayers in blue states](#). ([Link to Warner Amendment](#))
6. **[NEW PROVISION] \$124 billion tax on American pensions:** The bill includes a new excise tax on stock repurchases. Contrary to the cynical rhetoric peddled by Democrats, stock buybacks return value to the [58 percent](#) of Amerians invested in the stock market and the [60 million Americans](#) with a 401(k) plan. This [\\$124 billion](#) tax hike would hurt every American in the stock market and the retirement savings of working class Americans – all to pay for payoffs to liberal special interests in the form of more than \$400 billion [on Green New Deal giveaways](#). ([page 31](#))
7. **Biden’s IRS Army:** The bill weaponizes the Internal Revenue Service (IRS) with about \$80 billion in new funds (6x IRS’s annual budget) meant to hire tens of thousands of new IRS agents who will spy and harass Americans. This would include \$45.637 billion in funding for IRS enforcement. This funding could be to enforce the IRS’ proposal to [spy on Americans with more than \\$10,000](#) worth of financial transactions. This funding will be used by Biden’s IRS army to intimidate and [harass middle class Americans](#), not wealthy taxpayers who can afford the best tax lawyers money can buy. ([page 37](#))
8. **Price Controls to Kill Life Saving Drugs:** The bill would institute a socialist price control regime to force certain drug manufacturers to [accept whatever price the Biden administration thinks is reasonable](#), or face a potential [95 percent tax](#) (page 123). According to the CBO analysis, this provision [would reduce the number of lifesaving drugs by 15 over the next 30 years](#). The bill would institute so-called “[inflation rebates](#)” — another layer of price controls that will also kill development of life-saving drugs. ([page 43](#))

9. **Obamacare Expansion:** The bill would extend the Obamacare subsidy expansions created by the [inflationary American Rescue Plan](#), which can even benefit [people making as much as \\$300,000](#). ([page 231](#)) Taxpayers should not be forced to endlessly subsidize the irredeemably flawed- and premium-increasing structure of Obamacare. Instead, these subsidies should be left to expire, which would save taxpayers \$64 billion per year according to the [Democrats' summary](#). Rather than forcing taxpayers to bail out the failures of Obamacare, Congress should pass common sense reforms to [lower costs and increase access to care](#). ([page 245](#))
  
10. **Payoff to Union Bosses:** The bill would implement prevailing wage requirements for companies that utilize various tax credits in the bill. Prevailing wage [requirements kill jobs and are nothing more than a pay-off to labor union bosses](#). ([page 250](#)) ([page 284](#)) ([page 307](#)) ([page 317](#)) ([page 336](#)) ([page 363](#)) ([page 378](#)) ([page 419](#)) ([page 489](#)) ([page 513](#))
  
11. **Tax Breaks for Green Energy Corporations:** The bill would reauthorize expired tax subsidies and extend others that benefit green energy technologies almost exclusive. This, according to Democrats, would force taxpayers to give \$60 billion in corporate welfare to green energy corporations while artificially holding back oil and gas development. The Democrats' failed green agenda is designed to crush traditional American producers, increase oil and gas prices, and cruelly inflict further pain on the American people. ([page 246](#)) ([page 269](#))
  
12. **Manipulating the Tax Code for "Environmental justice":** The bill would establish a new "environmental justice solar and wind capacity limitation program" to give a windfall to solar and wind energy production that serves the Democrats' radical "environmental justice" agenda. ([page 291](#))
  
13. **Tax Breaks for Rich People to Buy Green Appliances:** The bill would revive through 2032 and significantly expand—by 140 percent—the Nonbusiness Energy Property tax credit. This credit, which expired at the end of 2021, pays individuals for so-called "energy-efficiency" improvements. This credit almost exclusively [benefits high income households](#) and forces working class Americans to pay for it. ([page 346](#))
  
14. **Tax Breaks for Rich People to Buy Solar Panels:** The bill would extend the Residential Clean Energy Credit through 2034. This credit, which is set to expire at the end of 2023, pays individuals to install green energy features to their homes, such as solar panels and wind turbines. Again, this credit almost exclusively [benefits high income households](#). ([page 359](#))
  
15. **Tax Breaks for Fancy Green Corporate Offices:** The bill would expand the Section 179D Energy Efficient Commercial Buildings deduction for installation of interior lighting, building envelopes, or heating, cooling, ventilation, or hot water systems that reduce energy consumption. ([page 361](#)). Last fiscal year, this tax break cost taxpayers nearly \$200 million.

16. **Tax Breaks for Construction of Green Homes:** The bill would extend and expand the recently expired New Energy Efficient Home Credit. This credit forces taxpayers to subsidize the construction of “energy-efficient” homes [that can be \\$125,000 more expensive than traditional homes.](#) ([page 375](#))
17. **Subsidizing Electric Vehicles for the Wealthy:** The bill would force working class taxpayers to subsidize EV purchases for wealthy taxpayers (couples with income up to \$300k per year) by extending the current \$7,500 tax credit for purchases of new EV’s through 2032. [78 percent](#) of current EV tax credits are claimed by taxpayers making over \$100,000. The bill would also remove the current law cap of 200,000 EVs sold per manufacturer. It is simply wrong to force working class taxpayers to subsidize vehicle purchases by the wealthy in an effort to appease liberal central planners. ([page 381](#)). It would also create a new tax credit of \$4,000 for used EV purchases (with an income cap of \$150k per household). ([page 403](#))
18. **Taxpayer Subsidies for Inefficient Green Energy:** The bill would force taxpayers to provide \$10 billion in expanded tax credits first created in Obama’s failed 2009 stimulus package for [inefficient](#) green energy projects. Not only is this funding duplicative, but it funds technology that has forced working class Americans to [pay higher energy prices](#) and [face rolling blackouts](#). ([page 421](#))
19. **Making Energy MORE Expensive – Part 1:** During a time of historically high gas prices, the bill would inexplicably raise the Superfund excise tax rate on crude oil and imported petroleum from 9.7 cents/barrel to 16.4 cents/barrel. This amounts to a [\\$12 billion tax hike](#) that will fuel higher energy costs and violate President Biden’s pledge to not raise taxes on Americans making less than \$400,000. ([page 457](#))
20. **Another taxpayer funded giveaway to green special interests:** The bill would create new production and investment tax credits carbon-neutral electricity generation facilities. These subsidies are duplicative and would force taxpayers to subsidize facilities that use inefficient energy sources and increase energy prices. ([page 458](#)) ([page 480](#))
21. **Making Energy MORE Expensive – Part 2:** The bill would increase energy costs for consumers by permanently extending certain taxes paid by coal mining operations. ([page 544](#))
22. **Radicalizing the Department of Agriculture:** \$20 billion funneled through the Department of Agriculture toward the left’s Green New Deal priorities. ([page 549](#))
23. **[Cow Farts](#) are BACK!** The bill ([page 550](#)) would require the Secretary of Agriculture to prioritize new funding for certain farm grants that “utilize diet and feed management to reduce enteric methane emissions from ruminant.” Translation = taxpayer money to feed cows food that that won’t make them fart.
24. **Promoting “Environmental Justice” in Agriculture – Part 1.** \$8.45 billion for the environmental quality incentives program (EQUIP), which is part of Biden’s environmental justice program (“[Justice40](#)”) program and seeks to support Climate-Smart agriculture to “sequester carbon, reduce greenhouse gas emissions and mitigate the impacts of climate change.” ([page 549](#))
25. **Promoting “Environmental Justice” in Agriculture – Part 2.** \$3.25 billion for the Conservation Stewardship Program ([page 551](#)) and \$1.4 billion for the Conservation Easement

Program ([page 552](#)), both of which are part of Biden's Justice40 program, and which President Trump sought to [cut and eliminate](#), respectively.

26. **Promoting "Environmental Justice" in Agriculture – Part 3.** \$6.75 billion for the regional conservation partnership program, also a Justice 40 program. ([page 552](#)). All of these are supposed to mostly focus on reduction of greenhouse gas emissions.
27. **Free Money!** \$1 billion in additional funding for renewable energy storage projects, but the Biden administration can choose to make these so-called "loans" 100% forgivable with no strings attached ([page 558](#)).
28. **Green New Deal Takeover of Rural Areas:** \$9.7 billion in taxpayer funded subsidies for the development and construction of solar energy systems and other renewable energy systems in rural areas, and for zero emission systems, or for carbon capture and storage systems. ([page 562](#)).
29. **Tree Planting in Liberal Cities:** \$1.5 billion for grants through the [Urban and Community Forestry Assistance program](#) for planting trees in urban areas in a way that promotes the left's social agenda. ([page 578](#))
30. **Biden's Industry Takeover Slush Fund:** \$500 million "to carry out the Defense Production Act," which, according to the Congressional Research Service (CRS), "confers upon the President a broad set of authorities to influence domestic industry..." ([page 580](#)). In other words, this is just a slush fund for the Biden administration to carry out its radical climate agenda under the guise of a national emergency. Just this past March, Biden [invoked](#) the DPA to ensure "a robust, resilient, sustainable, and environmentally responsible domestic industrial base to meet the requirements of the clean energy economy."
31. **Free Green Appliances:** \$4.5 billion for state-run high-efficiency electric home rebate programs, which would provide rebates, including point of sale rebates, to governmental, commercial, or non-profit entities to pay for up to 100% of the costs of home projects that use of Energy Star home appliances. ([page 617](#))
32. **Taxpayer Backed Climate Change Loans:** The bill would give the DOE Secretary the authority to guarantee up to \$40 billion in loans supporting projects to reduce greenhouse gasses. ([page 621](#))
33. **Electric Vehicle Subsidies – Part 1:** \$3 billion for the ATVM program, which President Trump sought to [eliminate](#) "because the private sector is better positioned to finance the deployment of commercially viable energy and advanced vehicle manufacturing projects." Funds could only be used for used to support low- or no-emission vehicle production. ([page 625](#)) The bill would also eliminate the ATVM program's current \$25 billion cap on total loan authority, which would unleash the Biden administration to provide an untold amount of loans for electric vehicle development backed with taxpayer money. ([page 626](#)).
34. **Electric Vehicle Subsidies – Part 2:** \$2 billion for the DOE to provide grants for domestic production of hybrid, hydrogen fuel cell, and electric vehicles. ([page 626](#))
35. **Quarter TRILLION of Guaranteed Green Loans:** \$5 billion in spending to support \$250 billion in DOE loan guarantees and loan refinancing for green energy infrastructure projects and remediation activities. ([page 627](#))

36. **Making Energy MORE Expensive – Part 3:** Despite oppressive energy and gas prices, the bill would increase royalties paid by energy companies, which will be passed along to consumers in the form of even higher prices. Royalties for offshore oil and gas drilling leases would be jacked up from 12.5% to between 16.66% and 18.75% ([page 655](#)). For federal onshore oil and gas leases, the bill would increase the rate from 12.5% to between 16.66%. ([page 656](#))
37. **Making Energy MORE Expensive – Part 4:** The bill would also balloon other fees applicable to onshore oil and gas energy production by quintupling the minimum bid amount ([page 657](#)), raising the rental rate 1000% by when a lease hits the eight year mark ([page 658](#)), adding a \$5 per acre fee for expressing interest in leasing land for oil and gas development ([page 659](#)), and ~~increase existing bonding requirements from \$10,000-\$25,000 per well to \$150,000 per lease~~ ([page 640](#)).
38. **Making Energy MORE Expensive – Part 5:** The bill would also expand royalty requirements applicable to onshore and offshore production to cover methane produced, consumed or lost, instead of that which is produced and sold. ([page 663](#))
39. **Free Electric Heavy Duty Vehicles for Contractors and Local Governments:** The bill would force taxpayers to provide \$1 billion to effectively give away free zero-emission heavy duty vehicles, including to contractors, local governments, and school districts. ([page 673](#))
40. **\$27 billion to Force Low-income Communities to Rely on Unreliable Energy Sources:** The bill would provide \$27 billion for a greenhouse gas reduction fund to pay for deploying green energy equipment in environmental justice communities. ([page 681](#)).
41. **Taxpayer subsidies for diesel emission reductions:** The bill would force taxpayers to provide \$60 million for so-called Diesel Emission Reductions grants, which in the past have gone towards wasteful projects involving [cherry pickers](#), electrifying parking spaces and retrofitting tractors. These grants are the definition of pork and taxpayers should not be forced to burden the cost of additional subsidies. ([page 685](#)).
42. **Backdoor Civilian Climate Corps:** The bill would provide \$87 million to launch a propaganda campaign to “educate” communities on reduction of greenhouse gas emissions. ([page 691](#)).
43. **Funding to Support Radical ESG Movement:** The bill would spend \$5 million for the EPA to support “transparency” surrounding “corporate climate action commitments.” ([page 697](#)).
44. **Natural Gas Tax:** The bill would impose a new [\\$6.5 billion tax](#) on natural gas production, which would kill jobs, [raise energy costs](#) for working class Americans by 17 percent, and violate President Biden’s pledge to [not raise taxes on families making under \\$400,000](#). ([page 704](#))
45. **Carbon Labelling:** The bill would force taxpayers to waste \$100 million for labelling construction materials based on carbon emissions. ([page 712](#))
46. **Climate Justice Crusade:** The bill would give \$3 billion for the EPA to spend on, among other things, regulatory emissions enforcement, inventing new jobs to carry out the left’s green agenda, and for lobbying state and local governments for more regulations. ([page 714](#))

47. **Infrastructure is Racist...Again:** The bill would spend \$3 billion for the Department of Transportation to undertake projects to address its claim that infrastructure is racist. ([page 719](#))
48. **Greening Federal Office Space:** The bill would waste \$2.15 billion of taxpayer money to ensure that the the federal government is issuing “low-embodied carbon materials” when constructing or altering federal office space. ([page 727](#)) It would also create a \$975 million green tech slush fund for the GSA. ([page 727](#)).
49. **Low-Emission Highway Materials:** The bill would hand \$2 billion of taxpayer money to transportation construction companies so that they use “low-embodied carbon construction materials” in highway projects, an unnecessary expense designed to advance the Biden administration’s radical vision. ([page 731](#)).
50. **Ignoring Biden’s Border Crisis:** Rather than spending a dime to address his ongoing border crisis, the bill would spend \$500 million to make sure that the Department of Homeland Security (which is supposed to be securing the border and enforcing our nation’s immigration laws) is carrying out “sustainability and environmental programs.” ([page 735](#)).
51. **Electric Postal Trucks:** \$3 billion for a new fleet of electric Postal trucks. ([page 736](#)).
52. **Equity Enforcement:** The bill would spend \$25 million for the the GAO to ensure that the hundreds of billions of dollars spent by the bill are distributed pursuant to the Biden administration’s notion of equitable. ([page 737](#)).
53. **Raiding the DRF:** The bill would authorize the Biden administration to raid the Disaster Relief Fund for purchasing low-carbon materials instead of helping communities reeling from natural disasters. ([page 738](#))

**CONCLUSION:** Democrats in Congress aren’t damaging American’s pocketbooks—they are trying to damage their way of life. I hope this list of partisan provisions will help you convey that fact to your constituents this August recess.