



Inflation Reduction Act of 2022 Summary

Prescription Drug Benefits

- Empowers Medicare to negotiate with prescription drug companies to reduce the cost of medicine for seniors.
- Caps out of pocket Medicare costs at \$2,000 per year and creates a system for seniors to pay monthly.
- Creates an “inflation rebate” under which pharmaceutical companies must rebate money to Medicare if prices rise quicker than inflation.
- Stabilizes the annual premium growth of Medicare Part D subsidies.
- Makes all vaccines under Medicare free for seniors.
- Expands the Medicare Part D LIS program to increase premium and co-pay assistance.

ACA Health Insurance Subsidies

- Extends for three additional years the subsidies for health insurance for lower income citizens as contained in the American Rescue Plan Act.

Tax Policy Fairness

- Creates an alternative minimum tax on larger corporations by requiring these corporations to pay at least a 15% tax on their income each year.
- Establishes a new 1% tax on corporate share buybacks.
- Extends and reinstates the Superfund taxes on oil and gas companies, originally created to require companies to pay to clean up pollution and waste sites.
- Creates a new fee on methane to encourage companies to reduce harmful emissions.
- Increases funding for IRS to focus on increased compliance by upper income taxpayers and businesses.

Climate Change

- Dramatically expands, extends and improves tax incentives for the investment in renewable energy projects such as wind, solar, batteries, electric vehicles, hydrogen and emerging technologies.
- Creates additional incentives and requirements for renewable energy companies receiving tax credits and subsidies to pay their workers a prevailing wage and create apprenticeship programs to train the next generation of workers.
- Makes new tax incentives for companies to operate and create renewable energy manufacturing jobs in the United States.
- Encourages and creates incentives for companies to use domestic steel, minerals and other products for renewable energy projects.
- Creates incentives for new “energy communities” that will encourage investment in lower income communities and those affected by job loss as a result of shutting down coal mines and facilities.
- Creates multiple programs at various federal agencies to help advance renewable energy and improving our climate in the United States.