



RECONCILIATION BILL LOWLIGHTS

On July 27, Senators Chuck Schumer and Joe Manchin announced their agreement on a new version of the Big Government Socialism bill, inappropriately titled the “Inflation Reduction Act of 2022.”

The Liberals’ “Inflation Reduction Act” should actually be titled the “Stagflation Promotion and Bogus Deficit Reduction Act of 2022.” Despite false promises to the contrary, this bill raises taxes on the middle class, increases inflation, slashes Americans’ wages, decreases Americans’ access to life-saving drugs, kills jobs, and increases energy prices that are already at record highs.

In typical Washington fashion, Majority Leader Schumer [announced](#) his intention to have the Senate vote on the Big Government Socialism bill the week of August 1, giving legislators very little time to read and comprehend the 725 pages of dense legislative text that would raise taxes by \$739 billion—which is more than \$1 billion per page!

In the middle of a recession, with inflation at a 41-year high, liberals are attempting to raise the tax burden on nearly all Americans.

- Americans earning less than \$200,000 per year will see their taxes rise by \$16.7 billion in 2023.
- According to Congress’ Joint Committee on Taxation, Americans making less than \$400,000 will bear as much as two-thirds of the tax burden by 2031.
- This bill super-sizes the IRS with \$80 billion in funding to hire [87,000 new auditors](#)—that means a 50% increase in the number of small business audits, more money for IRS office rent, new cars for IRS agents, and more.
- This bill targets U.S. manufacturers at a time when they can least afford it, placing America at a competitive disadvantage with China.
 - The 15% tax on book income would hit the U.S. [coal industry the hardest](#), followed by auto manufacturers and utilities.
 - Increased taxes on the energy industry would drive up utility costs for American families by 17%.
 - The minimum tax on book income would [deter companies from investing](#) in new productivity-enhancing machinery and equipment, thereby stunting economic growth and real wage growth.
 - The National Association of Manufacturers predicts Biden’s tax increases would kill 218,000 jobs next year alone!

This bill increases healthcare costs and decreases access to life-saving drugs.

- It imposes a 95% excise tax on prescription drugs unless manufacturers agree to government price controls—that means supply shortages and less money for research and development of critical new drugs.
- The bill will lead to higher healthcare spending through [inflationary subsidy structures](#) that largely benefit special interest groups and insurance companies.
 - The majority of new coverage from taxpayer dollars will subsidize costs for Americans whose income is higher than 400% of the federal poverty level, about \$106,000 for a family of four.

The Big Government Socialism bill will raise consumer costs across the board, from the gas pump and heating homes to agricultural and manufactured goods.

- The increase in green tax credits further distort market fundamentals and neglect the root cause of energy inflation—promising only to solve the problems of an envisioned future rather than the economic reality suffocating Americans today.
- The direct tax on natural gas crushes the very resource that is underpinning electricity affordability and supporting the energy security of our allies and partners.
- The bill makes mineral and energy production on federal lands even more challenging—increasing the federal government's take by 33%.
- It establishes a \$27-billion-dollar government-run national climate fund and distributes an additional \$250 billion in funding to the Department of Energy—that's Solyndra on steroids.

According to a [UPenn Wharton](#), which is Sen. Manchin's budgetary model of choice, the Big Government Socialism bill:

- Increases inflation over the next two years (through 2024).
- Does nothing to bring down inflation after 2024.
- Leaves Americans with higher taxes and sky-high debt if spending provisions are made permanent.

The bottom line is that the Big Government Socialism bill throws hundreds of billions of dollars down the drain and does NOTHING to address Americans' main concerns of rising prices and a shrinking economy.