



## What's actually in the Inflation Reduction Act?

Here's what the bill really does, and what it means for you.

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WASHINGTON — Friday the House is expected to pass the “Inflation Reduction Act.” You’ll see various claims from supporters and opponents on social media about what it really does — and what it means for you. We Verify what the plan actually includes.

What does the Inflation Reduction Act address?

For many on the left—it’s being celebrated as a big win for environmental efforts and healthcare, while opponents on the right see it as overspending and over-taxing. So what’s actually in House Resolution 5376?

The biggest change is that large corporations – earning at least a billion dollars annually – will have to pay a 15% minimum tax. It also enacts a one percent excise tax on what's called "stock buybacks"—when a company buys back its own shares.

The plan would also funnel additional money to the IRS by \$80 billion said Chris Edwards, Director of Tax Policy Studies at the Cato Institute.

"Most of it going to enforcement will allow for there to be an increase in collections," added Bill Hoagland, Senior Vice President of the Bipartisan Policy Center.

The bill allows for Medicare to negotiate prices for some drugs, and creates price limits on drug costs for those on Medicare.

"It puts a cap which would be immediate, on the out of pocket expenditures that the individual has to pay at \$2,000," said Hoagland.

The bill also extends financial assistance until 2025 for many enrolled in the Affordable Care Act, which would have expired at the end of the year.

The discussion of the environmental and energy accomplishments in the bill are based on incentives and tax credits to businesses for being “green,” like for those that produce or invest in wind or solar. The plan would also offer credits to consumers, like those with clean energy expenses like solar panels or who buy Electric Vehicles.

"It's really a cornucopia of energy and environmental subsidies," said Edwards.

Perhaps the biggest question: What will the bill actually do to curb rising costs?

The Congressional Budget Office scored the bill, saying a lot of factors are at play here impacting various groups in different ways, and ultimately the analysts say it will have a negligible effect on inflation in the next year.