

HOW THE INFLATION REDUCTION ACT LOWERS COSTS, MAKES HISTORIC INVESTMENTS IN TACKLING CLIMATE CRISIS & CREATING JOBS



U.S. Senator Gary Peters

The historic *Inflation Reduction Act* that U.S. Senator Gary Peters helped the Senate pass and that President Biden signed into law in August 2022 will lower costs for families and make the most significant investment ever in addressing climate change. It is fully paid for and will reduce the deficit.

This delivers on efforts that Gary has long pushed for to reduce costs, including prescription drug prices and help combat the climate crisis in a way that spurs economic growth and job creation.

Tackling Climate Change, Lowering Energy Costs & Creating Jobs:

The *Inflation Reduction Act* makes the largest ever investment to combat climate change and will put the U.S. on a path to roughly 40 percent emissions reduction by 2030, all while helping Michigan families bring down their energy bills, buy new and efficient appliances, weatherize their homes, install heat pumps and rooftop solar, and access good-paying jobs in the clean energy sector. This law will:

- Lower consumer energy costs via tax credits, rebates, and consumer initiatives;
- Increase American energy security by investing in American clean energy manufacturing, including through incentives for U.S. manufacturers making the clean energy technologies of the future;
- Decarbonize the economy by investing in emissions reductions in every sector of the economy;
- Invest in communities & environmental justice to promote pollution reduction & clean energy; and
- Increase the resilience of rural communities, farms, and forestlands.

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Lowering the Cost of Health Care & Prescription Drugs:

No one should have to worry about whether they can afford the health care or medicine they need. This law will:

- Cap insulin co-pays for seniors on Medicare plans at \$35 per month;
- Allow Medicare to negotiate lower drug prices;
- Ensure Medicare patients do not pay more than \$2,000 per year in out-of-pocket costs;
- Provide free vaccines for seniors; and
- Extend assistance for Affordable Care Act premiums through 2025.

Fighting Inflation & Reducing the Federal Deficit:

The Inflation Reduction Act is fully paid for. This landmark law will fight inflation and reduce the deficit, while making the ultra-wealthy and wealthy corporations pay their fair share — and it includes no new taxes for small businesses or for families making \$400,000 or less. This law will:

- Reduce the federal deficit by \$300 billion over 10 years and reduce economic inflation;
- Impose a 15% alternative minimum tax on corporations with profits over \$1 billion annually; and
- Add a 1% excise tax on corporate stock buybacks.