



about the
Inflation Reduction Act of 2022

1. REDUCES THE DEFICIT BY \$300 BILLION

According to the Congressional Budget Office's score, the reconciliation bill includes more than \$450 billion in spending and nearly \$800 billion in new revenue, for net deficit reduction exceeding \$300 billion over the next decade. This does not include roughly \$200 billion in additional deficit reduction that the legislation's \$90 billion in additional IRS funding is expected to yield. The United States' current debt is nearly \$30 trillion, with more than \$23 trillion of that publicly owned.

2. FARM BILL CONSERVATION PROGRAMS RECEIVE A NEARLY \$20 BILLION BOOST

These [investments](#) have the potential to improve the performance of farming and ranching businesses while reducing reliance on post-disaster taxpayer-subsidized [bailouts](#), if funding is implemented and prioritized effectively.

3. REFORMS THE FEDERAL OIL AND GAS LEASING SYSTEM

IRA's Fossil Fuels section includes important oil and gas leasing reforms, like updating the century-old onshore oil and gas royalty rates and decades-old rental rates and minimum bids, that are estimated to raise \$484 million in revenue over the next decade.

4. INVESTS IN CLIMATE SOLUTIONS

If new funding is spent effectively, numerous programs and investments have the potential to address rising taxpayer [costs of climate change](#). For one, there's [funding](#) for wildfire projects, particularly hazardous fuels reduction within the wildland-urban interface – a prime location for recent wildfires. If other climate spending is prioritized toward long-term investments in resilience measures that pre-empt disasters, taxpayers, consumers, and communities will win.

5. EXACERBATES BIOENERGY, NUCLEAR, AND CARBON CAPTURE CONCERNS

The bill also unfortunately includes tax breaks and subsidies for false climate solutions, such as [bioenergy](#), nuclear, and carbon capture/sequestration. For instance, the \$3 billion/year [biodiesel tax credit](#) would be extended, in addition to other [biomass](#) and [biofuels](#) tax breaks, resulting in higher GHG emissions, market distortions, and unintended

TAXPAYERS *for* COMMON SENSE

5 FAST FACTS

consequences (like higher food and fuel prices). The bill also spends billions on new tax credits for nuclear power production and carbon oxide sequestration, despite concerns over these technologies' effectiveness in lowering GHG emissions. The bill ties wind and solar development to new oil and gas lease sales as well.