



## What They Don't Want You to Know About "Build Back Better" 2.0 – The New Senate Agreement Is Worse Than You Think

Congressional Democrats [announced](#) a deal last night to vote on their \$740 billion tax and spending bill and then catch the first plane out of town. Unfortunately for the American people, Congress is more concerned about starting their vacation than understanding the impact of this bill on our economy. The more scrutiny and independent analysis this 725-page bill receives, the worse it looks. Here are some of the most devastating provisions:

### Tax Increases on the Middle Class

Joe Biden, Chuck Schumer and Joe Manchin are knowingly [lying](#) when they say this bill doesn't increase taxes on the middle class. Non-partisan Congressional tax analysts are crystal clear – this bill includes \$16.7 billion in [new taxes](#) on families earning less than \$200,000 in 2023. This is a clear [violation](#) of President Biden's promise and lie by Senate Democrats. According to IRS data, there are [148 million taxpayers](#) under that threshold who would see a **\$112 tax increase next year**, on average.

### New Taxes on American Manufacturing

The Congressional Joint Committee on Taxation (JCT) has reviewed the tax distribution in the agreement and concluded that **50% of the bill's corporate tax increase will be paid by American manufacturers**. American job creators and factory workers will be hit with higher taxes at a time when we should be trying to lure manufacturing jobs back to this country.

### Cuts to Medicare Spending for Seniors

According to the Democratic [summary](#) of *Build Back Better 2.0*, **the deal will reduce Medicare spending by \$288 billion**. The cuts are part of a provision allowing the federal government to set price controls on certain drugs. Democrats call it "revenue raised," but the Congressional Budget Office ([CBO](#)) says that the money is "raised" through cuts to Medicare. Now Democrats are touting the drug cost reductions while obscuring the substantial cuts to Medicare funding.

### Destroying 30,000 American Jobs

According to economic analysis by the Tax Foundation, a non-partisan think tank that models the impact of tax laws, this bill will **result in the loss of 30,000 full time jobs**. Why are Democrats destroying American jobs during a recession and inflation crisis?

### Government Handouts to Wealthy Americans

Joe Manchin's deal increases taxes on middle-class families during an inflation crisis to help fund a subsidy for the rich to buy electric cars. The bill spends [at least \\$10 billion](#) expanding the \$7,500 credit provided to electric vehicle buyers. Based on the most recent analysis, 60% of electric car owners [make over \\$100,000](#) while the average [Tesla owner makes \\$146,000](#).



## **Taxing American-Made Energy**

The White House [claimed](#) this spring that Joe Biden was committed to “achieving lasting American energy independence” and “doing everything in his power” to lower prices at the pump. This agreement proves that was a lie. The new deal will implement new charges and royalties on domestic energy production ([Sec. 136](#)) via a methane fee. This **new tax on the production of American oil and clean natural gas** will increase costs and foreign dependence.

## **Funneling Taxpayer Money to Well-Connected, Private Industries**

Much of the \$370 billion in green new deal spending will go directly to large, private companies that have used their connections to lobby for tax credits and loans. The bill [includes](#) \$40 billion for “innovative commercial activities,” at least **\$36 billion earmarked for auto companies, \$20 billion for the nuclear power industry**, \$2 billion to electric transmission developers, and so on.

## **The Coming IRS Audit Explosion**

The bill includes \$80 billion to increase the size and power of the Internal Revenue Service (IRS). This money will fund **87,000 new IRS agents to come after American workers and businesses** with intrusive audits when we should be simplifying our tax code. Democrats estimate that the new agents will increase tax revenue by [\\$204 billion](#). That money will predominately come from **audits on small businesses and taxpayers earning less than \$100,000**, according to [JCT](#).

## **No Immediate Drug Cost Reductions**

Democrats are trying to justify their Medicare cuts by arguing that it will mean lower drug prices for seniors. In reality, seniors won't begin to see savings on drugs until 2026. According to [CBO](#), **70% of the prescription drug cost reductions occur between 2029 and 2031**, leaving seniors holding the bag for years to come.

## **Billions of Taxpayer Dollars to Cash-Rich State Governments**

The legislation includes billions for ambiguous state grant programs with very few measures of success. Programs in the bill include \$30 billion for states to subsidize “clean” electricity and \$5 billion to simply draft state pollution reduction plans (Sec. 137). The real issue is that states don't need any money. After receiving [\\$350 billion](#) in COVID funds from the federal government just last year, **states across the country are holding [record budget surpluses](#)**. We don't need tax hikes on the middle-class to give state governments more cash.

\*\*\*