Inflation Reduction Act Highlights for Vermont

Climate and Energy Provisions

The Inflation Reeducation Act includes over $370 billion to combat climate change, the largest climate investment in American history that will reduce pollution, bolster domestic energy production, and support our transition to a clean energy economy.

- Reduce carbon emissions by roughly 40-percent under 2005 levels by 2030
- Create a Methane Emissions Reduction Program to reduce the leaks from the production and distribution of natural gas
- $20 billion to support climate-smart agriculture practices
- $4,000 consumer tax credit for eligible individuals to buy used clean vehicles
- $7,500 tax credit for eligible individuals to buy new clean vehicles
- 10 years of consumer tax credits to make homes energy efficient and run on clean energy, making heat pumps, rooftop solar, electric HVAC and water heaters more affordable

Healthcare Provisions

This legislation will implement the biggest changes to our health system in a decade by standing up to Big Pharma, lowering prescription drug costs, and cutting healthcare premiums.

- Includes three-year extension of the enhanced financial aid originally included in the American Rescue Plan for those who buy health coverage through the Affordable Care Act’s (ACA’s) exchanges. This will save the ~71,000 Vermonters who purchase health coverage through the ACA marketplace an average of $800 per year
- Establishes a Drug Price Negotiation Program that allows Medicare to negotiate the price of high-cost prescription drugs. This measure alone is estimated to reduce the federal deficit by nearly $288 billion over the next decade
- Caps out of pocket costs for Medicare beneficiaries at no more than $2,000 a year and caps the cost of insulin at no more than $35 a month

Tax Reform Provisions

The bill also increases funding for the IRS and closes tax loopholes used by the wealthy to ensure the richest taxpayers and corporations pay their fair share

- $80 billion for the Internal Revenue Service to raise an estimated $124 billion by cracking down on the wealthiest corporations and tax evaders
- Institutes a 1-percent excise tax on corporate stock buy backs that is estimated to raise $74 billion in revenue
- Creates a 15-percent corporate minimum tax on companies who make more than $1 billion per year in profits, which is estimated to raise more than $222 billion

Together, these reforms will pay for the significant investments made to combat climate change, lower healthcare costs, and support working families while also reducing the federal deficit by up to $300 billion.