

Key Vote Alert

August 6, 2022

To the Members of the United States Senate:

The U.S. Chamber of Commerce urges you to oppose the revised version of the House-passed reconciliation bill. The Chamber will include votes on this legislation – potentially procedural and amendment votes among them – in our How They Voted Congressional scorecard.

Despite the elimination of many harmful provisions included in prior versions of this bill, the legislation would still impose significant new tax increases and unprecedented government price controls that would deter investment, inhibit innovation, and undermine economic growth. Despite rebranding the legislation the “Inflation Reduction Act,” the bill could increase inflation in the short term and would definitively not reduce inflation over the long term, according to multiple analyses.

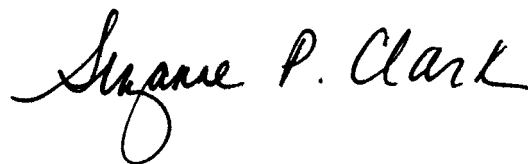
While improvements have been made, the proposed Corporate Book Minimum Tax would still punish companies for undertaking certain investments that are treated differently for book and income tax purposes and items like intangible drilling costs. In addition, the latest version appears to target independent companies that are part of a portfolio of companies. As a result, many small and mid-size companies would be suddenly swept up in this provision that has been advertised as only applying to the largest firms. The net effect of the Book Minimum Tax would be less capital investment, making America poorer and reducing future economic growth.

The excise tax on stock buybacks would only distort the efficient movement of capital to where it can be put to best use and diminish the value of Americans’ retirement savings.

Attacks on innovation are not limited to the new taxes the bill would impose. Price controls on pharmaceuticals would significantly reduce private sector investment in new research and drug development. Analysis indicates that this could result in a loss of nearly 600,000 jobs. The Congressional Budget Office predicts that such controls would lead to 15 fewer new drugs over the next 30 years. These changes would significantly harm patients and our health care system.

While it is worth noting that there are parts of the bill that would advance progress on climate and energy security, the benefits of these provisions do not outweigh the negative impacts of the provisions discussed above. We urge you to support American businesses in their efforts to invest, create jobs, conduct research and development, and innovate. Reject this misguided legislation.

Sincerely,



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