

Key Vote Alert

August 11, 2022

To the Members of the U.S. House of Representatives:

The U.S. Chamber of Commerce urges you to oppose the Senate-passed reconciliation legislation. **The Chamber will include votes on this legislation in our How They Voted congressional scorecard.**

Although some harmful provisions included in prior versions of this bill have been eliminated, 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 as 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.

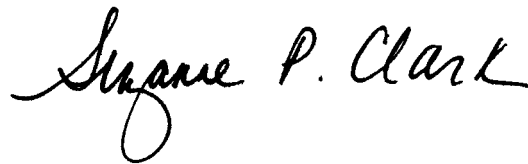
While improvements have been made, the Corporate Book Minimum Tax would still punish companies for undertaking certain investments that are treated differently for financial reporting and income tax purposes as well as items like intangible drilling costs. Furthermore, its introduction would be neither simple nor administrable and would pose a competitive disadvantage to U.S.-headquartered businesses while increasing the incidence of unrelieved double taxation. The net effect of the tax would be less capital investment, which would make America poorer and would reduce future economic growth.

The excise tax on stock buybacks would not only distort the efficient movement of capital to where it could be put to best use, it would 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 America's 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,



Suzanne P. Clark
President and CEO
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