

One Year Later, the Inflation Reduction Act Is Lowering Costs for Families While Powering a Stronger and More Fair Economy

As we approach the one-year anniversary of the Inflation Reduction Act, the law is already lowering costs for families, growing the middle class, jumpstarting clean energy development, and creating a fairer tax system. The Inflation Reduction Act's impacts will only grow in future years as more investments flow through the economy and additional climate and health care provisions take effect to help American families.

The Inflation Reduction Act is spurring clean energy and manufacturing investments

The Inflation Reduction Act made the [largest](#) investments in fighting climate change and in clean energy production in U.S. history. The law makes it cheaper for companies to manufacture the equipment needed to produce renewable energy and build and operate clean energy infrastructure that produces solar, wind, geothermal, and other forms of renewable energy.

- Since the Inflation Reduction Act was signed, 272 [clean energy projects](#) were announced across 44 states, creating or planning to create 170,606 (and counting) clean energy jobs, and totaling \$278 billion in new private-sector investments.
- This includes plans for 91 new battery manufacturing sites, 65 new or expanded electric vehicle manufacturing facilities, and 84 plans to develop wind and solar manufacturing.
- These new projects will [generate](#) about 184,850 megawatts of clean energy, which is enough to power nearly 162 million [homes](#).
- This clean energy production will create \$4.5 billion in [savings](#) for 24 million utility customers.

The Inflation Reduction Act has already lowered health care costs for millions of Americans

The Inflation Reduction Act enacted a number of measures that reduce out-of-pocket health care costs for households.

- The Inflation Reduction Act lowered prescription drug costs for Medicare enrollees by capping insulin co-pays at \$35 a month beginning earlier this year. Had these limits been in effect in 2020, 1.5 million Medicare beneficiaries who use insulin would have [saved](#) \$761 million in Part B and Part D.
- The law also [helped lower](#) health insurance premiums for nearly [15 million](#) low- and middle-income Americans by extending enhanced premium tax credits for Affordable Care Act (ACA) exchange plans.
 - There were 1.8 million more Americans who [signed up](#) for coverage during the 2023 ACA open enrollment period—a 13% increase compared to 2022.

- Earlier this year, the Department of Health and Human Services (HHS) announced the first set of prescription drugs that will be subject to Medicare inflation rebates because the drug manufacturers raised their prices faster than inflation.
 - HHS [has announced](#) over 60 drugs that patients will now pay less for out of pocket this summer, with some saving as much as \$449 per dose.

The Inflation Reduction Act has made the tax system fairer and more responsive

The Inflation Reduction Act initially [invested](#) \$80 billion in the Internal Revenue Service (IRS) over the next 10 years to increase tax enforcement of the wealthiest of the wealthy, while improving customer service for hardworking American families.

Already, the Inflation Reduction Act has [helped](#) the IRS:

- Close about 175 delinquent tax cases against millionaires and recover \$38 million in unpaid taxes;
- Answer 3 million more customer phone calls than during the 2022 filing season;
- Cut phone wait times from 28 minutes to 3 minutes; and
- Serve 140,000 more taxpayers in person.

Additionally, the IRS announced it would [launch](#) a pilot in 2024 for a free direct file program for taxpayers that, if fully implemented, would offer an alternative to private tax preparers and could save taxpayers billions of dollars each year. The agency is also continuing to modernize and [accelerate](#) its paperless processing efforts over the next two filing seasons, which will cut processing times in half and expedite refunds by several weeks.

Progress made in cracking down on wealthy tax cheats and improving customer service is in jeopardy given recent Republican demands to cut IRS funding. Cuts to funding that has already yielded positive results for Americans would be a step backward for our tax system.