



August 6, 2022

Honorable Chuck Schumer
Majority Leader
United States Senate
Washington, DC 20510

Re: Information About H.R. 5376, the Inflation Reduction Act of 2022

Dear Mr. Leader:

This letter provides information about the budgetary effects of H.R. 5376, the Inflation Reduction Act of 2022, as amended in the nature of a substitute (ERN22410) and posted on the website of the Senate Majority Leader on August 6, 2022:

www.democrats.senate.gov/imo/media/doc/inflation_reduction_act_of_20221.pdf.

The Congressional Budget Office has not yet completed point estimates for every title, but for those that we have completed, the estimated budgetary effects for 2022, the 2022-2026 period, and the 2022-2031 period are shown in the attached table.

We will provide updated estimates of the other titles as soon as they are available.

Effects Over the 2022-2031 Period

Title II of S. Con. Res. 14, the concurrent resolution on the budget for fiscal year 2022, included reconciliation instructions directing committees to propose legislation that would produce specified budgetary results. CBO has reviewed H.R. 5376 and determined that:

- Title I, Committee on Finance, would reduce deficits by more than \$1 billion over the 2022-2031 period.
- Title II, Committee on Agriculture, Nutrition, and Forestry, would increase deficits by less than \$135 billion over the 2022-2031 period.

- Title III, Committee on Banking, Housing, and Urban Affairs, would increase deficits by less than \$332 billion over the 2022-2031 period.
- Title IV, Committee on Commerce, Science, and Transportation, would increase deficits by less than \$83.076 billion over the 2022-2031 period.
- Title V, Committee on Energy and Natural Resources, would increase deficits by less than \$198 billion over the 2022-2031 period.
- Title VI, Committee on Environment and Public Works, would increase deficits by less than \$67.264 billion over the 2022-2031 period.
- Title VII, Committee on Homeland Security and Governmental Affairs, would increase deficits by less than \$37 billion over the 2022-2031 period.
- Title VIII, Committee on Indian Affairs, would increase deficits by less than \$20.5 billion over the 2022-2031 period.
- Title IX, Committee on Health, Education, Labor, and Pensions, would increase deficits by less than \$726.38 billion over the 2022-2031 period.

Effects After 2031

In addition, CBO projects that the legislation would have the following effect on on-budget deficits after 2031:

- Title I, Committee on Finance, would not increase on-budget deficits after 2031.
- Title II, Committee on Agriculture, Nutrition, and Forestry, would not increase on-budget deficits after 2031.
- Title III, Committee on Banking, Housing, and Urban Affairs, would not increase on-budget deficits after 2031.
- Title IV, Committee on Commerce, Science, and Transportation, would not increase on-budget deficits after 2031.

- Title V, Committee on Energy and Natural Resources; CBO cannot determine whether part 6 of title V would increase or decrease deficits after 2031 because there is significant uncertainty about federal mineral leasing and energy development activities and related receipts after 2031. The remaining provisions of title V would not increase on-budget deficits after 2031.
- Title VI, Committee on Environment and Public Works, would not increase on-budget deficits after 2031.
- Title VII, Committee on Homeland Security and Governmental Affairs, would not increase on-budget deficits after 2031.
- Title VIII, Committee on Indian Affairs, would not increase on-budget deficits after 2031.
- Title IX, Committee on Health, Education, Labor, and Pensions, would increase on-budget deficits after 2031.

Previous Estimate

On August 5, 2022, CBO [transmitted a cost estimate \(revised\) for H.R. 5376](#), the Inflation Reduction Act of 2022, as Amended in the Nature of a Substitute (ERN22335) and Posted on the Website of the Senate Majority Leader on July 27, 2022.

I hope you find this information useful. Sam Papenfuss is the CBO contact for further information.

Sincerely,



Phillip L. Swagel
Director

Enclosure

Honorable Chuck Schumer

Page 4

cc: Honorable Mitch McConnell
Republican Leader

Honorable Bernie Sanders
Chairman
Senate Committee on the Budget

Honorable Lindsey Graham
Ranking Member
Senate Committee on the Budget

Table 1.

**Estimated Budgetary Effects of H.R. 5376, the Inflation Reduction Act of 2022,
as Amended in the Nature of a Substitute (ERN22410) and
Posted on the Website of the Senate Majority Leader on August 6, 2022**

https://www.democrats.senate.gov/imo/media/doc/inflation_reduction_act_of_20221.pdf

Billions of Dollars

Titles	Net Increase or Decrease (-) in the Deficit		
	2022	2022-2026	2022-2031
Title I. Committee on Finance	n.a.	n.a.	n.a.
Title II. Committee on Agriculture, Nutrition, and Forestry	-1	9.3	34.7
Title III. Committee on Banking, Housing, and Urban Affairs	0	0.7	1.5
Title IV. Committee on Commerce, Science, and Transportation	0	2.5	3.6
Title V. Committee on Energy and Natural Resources	0	17.3	35.1
Title VI. Committee on Environment and Public Works	0	23.5	35.6
Title VII. Committee on Homeland Security and Governmental Affairs	0	2.0	4.0
Title VIII. Committee on Indian Affairs	0	0.3	0.4
Title IX. Committee on Health, Education, Labor, and Pensions	n.a.	n.a.	n.a.

Estimates are relative to CBO's July 2021 baseline.

n.a. = not available.

Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.