



# TaxNewsFlash

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## Updated: Reported agreement on Senate reconciliation bill, legislative text and summary of bill

**UPDATE:** [Legislative text and a summary of the bill](#) were released tonight.

Senator Joe Manchin (D-WV) late today announced that he had reached an agreement with Senate Majority Leader Chuck Schumer (D-NY) on tax, climate change, energy, and health care provisions to be included in the *Inflation Reduction Act of 2022*. Read Senator Manchin's [statement](#)

The agreement reportedly would impose a new 15% book minimum tax on large corporations (similar to the provision included in the House-passed Build Back Better Act); would modify the carried interest rules; and would significantly increase IRS funding. Preliminary indications are that the combined effect of these provisions, along with prescription drug pricing changes, could raise more than \$700 billion over the next 10 years.

The agreement also reportedly would include new tax incentives for renewables and other sources of energy as well as extend the healthcare premium subsidies related to the Affordable Care Act. The cost of these provisions might be roughly \$400 billion, with the net effect of the bill being to reduce the deficit by a little over \$300 billion.

The bill is expected to be considered under the rules of budget reconciliation, which include a number of procedural hurdles that must be cleared. Majority Leader Schumer reportedly is aiming for the bill to be considered before the Senate leaves for its August recess (currently scheduled to begin on August 5). The bill would also require the support of all 50 Democratic senators and passage by the House (as well as signature by the president) to become law.

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