

Senate to Move Forward on Budget Reconciliation Legislation

This week, Senate Majority Leader Chuck Schumer (D-NY) announced that the Senate will move forward on consideration of a \$700 billion budget reconciliation bill titled the "Inflation Reduction Act." The Senate is expected to begin votes on the legislation tomorrow. The package would include \$433 billion for energy and climate change programs and Affordable Care Act (ACA) credits. According to Senate Democrats, the bill would raise approximately \$700 billion in new federal tax revenue by enacting a 15% corporate minimum tax on businesses worth more than \$1 billion, enhancing IRS tax enforcement and reforming prescription drug pricing.

The original agreement included tax increases on carried interest but that provision was removed from the bill to win the support of Senator Kyrsten Sinema (D-AZ). In its place, the bill would enact a 1% excise tax on stock buybacks. Importantly, the legislation does not include any new tax increases on pass-through or family businesses as originally proposed. NDA previously [lobbied](#) Congress against these tax increases.

The Senate is expected to take a final vote on the reconciliation bill next week. All 50 Democratic senators will need to support the bill for it to clear the Senate. The legislation will then move to the House of Representatives where it will need a simple majority of the vote for final passage by Congress. NDA will be sure to keep members updated on the latest developments on Capitol Hill.