

Statement by Secretary of the Treasury Janet L. Yellen on the Passage of the Inflation Reduction Act of 2022

August 12, 2022

WASHINGTON — Secretary of the Treasury Janet L. Yellen released the following statement on the final passage of the Inflation Reduction Act of 2022.

"Today is an historic day for our country and our economy. The Inflation Reduction Act of 2022 will make America more competitive, lower health and energy costs for families, create high-quality jobs, bolster our energy security, sharply lower emissions, reduce the budget deficit, and increase long-term economic growth. It also upholds President Biden's commitment to ensure families earning less than \$400,000 per year do not see any tax increase. I applaud members of both chambers who have worked diligently to send this bill to President Biden for signature.

When President Biden took office, our economy had been brought to a standstill by a once-in-a-generation pandemic. Through our Administration's fiscal response, we experienced the fastest recovery in history with the strongest labor market post-World War II. This legislation, combined with the Bipartisan Infrastructure Law and the CHIPS Act, will usher in the next phase of America's economic future. Importantly, it contains the largest investment in fighting climate change in our country's history—an investment that will create thousands of new jobs, protect households from global energy shocks, and lower costs for American consumers.

This legislation also takes a critical step toward correcting our two-tiered tax system to ensure large corporations and high-income earners cannot avoid paying the taxes they owe. Reversing the long-term deterioration in IRS funding and will help Treasury fulfill its commitment to closing the tax gap, restoring fairness to the tax code, and providing compliant taxpayers with the IRS support they deserve."