WASHINGTON - In the second year of the Biden-Harris Administration, the U.S. Department of the Treasury has made significant strides in implementing President Biden’s economic agenda. This included efforts to lower costs for American families and bolster our nation’s economic resilience by addressing lingering challenges resulting from the pandemic and unanticipated global threats including Russia’s war in Ukraine. As a result of the actions taken by the Biden-Harris Administration, we enter 2023 with an economy that is on track for stable and sustainable growth while maintaining a healthy and strong labor market.

Throughout 2022, Treasury supported the passage of the Inflation Reduction Act, the Bipartisan Infrastructure Law, and the CHIPS and Science Act, including through numerous engagements with Members of Congress, ongoing technical assistance, and a wide-ranging effort to build support across the country and communicate the importance of this trifecta of legislation that is strengthening the foundations of our economy. In September, Secretary Janet L. Yellen delivered a speech in Detroit laying out how these key legislative accomplishments taken together authorize some of the most significant investments America has ever made.

As the Department worked to bring down costs for American families in the immediate-term, it also begun enacting a forward-looking economic agenda that makes critical investments in our nation’s future and workforce. By working across the federal government and in partnership with state, local, and Tribal governments to implement President Biden’s economic plan, Treasury has helped expand our economy’s capacity for sustainable, resilient growth going into 2023.

Below is a look at just some of the ways Treasury delivered for the American people in 2022:

**SUPPORTING FAMILIES AND THE MIDDLE CLASS**

- Treasury supported the passage of – and is helping implement – the Inflation Reduction Act which lowers the cost of essentials like prescription drugs, health care premiums, and
utilities, while providing families with generous tax incentives for the purchase of clean vehicles and energy saving appliances.

- Treasury and the White House launched the revamped ChildTaxCredit.gov with additional features to help families file tax returns and claim available family credits.
- To help level the playing field for American workers, Treasury joined the U.S. Department of Justice, the U.S. Department of Labor, and the Federal Trade Commission in issuing a new report on the state of competition in the labor market and U.S. economy, which recommended market reforms.

SPEARHEADING ECONOMIC RECOVERY AND ENSURING AMERICAN RESCUE PLAN FUNDING REACHES THOSE WHO NEED IT THE MOST

- In 2022, Treasury continued to deploy funds from the American Rescue Plan to aid those impacted by the pandemic and to support a strong, equitable recovery. The State and Local Fiscal Recovery Funds (SLFRF) continue to play a crucial role in allowing state, local, Tribal, and territorial governments to invest in their communities, stabilize their budgets, and respond to the pandemic. The program is also supporting and expanding the workforce with more than 3,000 projects covering $10 billion in order to assist workers impacted by the pandemic and prepare more Americans for the critical jobs being created by the Bipartisan Infrastructure Law, the CHIPS and Science Act, and the Inflation Reduction Act.
  - Treasury approved 26 state plans to invest over $3.7 billion of broadband funding under ARP’s Capital Projects Fund (CPF). Together, these states have estimated that this funding will connect more than 936,000 homes and businesses to affordable, high-speed internet.
  - Treasury also made significant progress in deploying funds from the American Rescue Plan’s $10 billion State Small Business Credit Initiative (SSBCI), which aims to increase access to capital and promote entrepreneurship, especially in traditionally underserved communities. Treasury has now approved plans for 43 states and obligated over 77% of capital funds.
  - The Emergency Rental Assistance (ERA) program continues to play a key role in preventing mass evictions and keeping families in their homes. Today, ERA has made over 8 million payments to renters and their families at risk of eviction while making
landlords whole and meeting equity goals. Over 80 percent of assistance has gone to very low-income renters. Additionally, Treasury has disbursed over $9 billion through the Homeowner Assistance Fund (HAF) to state, territorial, and Tribal governments, providing a lifeline to homeowners at a time when refinancing or other workout options are limited.

IMPLEMENTING THE INFLATION REDUCTION ACT IN PARTNERSHIP WITH THE IRS

• The Inflation Reduction Act is the single most significant legislation to combat climate change in our nation’s history, and nearly three-quarters of its climate change investment - $270 billion – is delivered through tax incentives, putting Treasury at the forefront of this landmark legislation.

• Since the Inflation Reduction Act was signed into law in August, Treasury has worked expeditiously to write the rules that will make real the promise of this legislation.

• Within days of the law’s enactment, Treasury issued guidance on the electric vehicle tax credit and worked closely with DOT and DOE so consumers could easily find a list of eligible vehicles online.

• In the fall, Treasury held a series of stakeholder discussions with Secretary Yellen and Deputy Secretary Adeyemo to solicit input from key groups representing millions of workers, thousands of companies, and trillions of dollars in investment assets, as well as climate and environmental justice advocates, community-based organizations, and other key actors that are critical to the success of the Inflation Reduction Act.

• Treasury also hosted three formal consultations with Tribal governments and Alaska Native Corporations to hear firsthand from Tribal leaders about provisions in the law that directly affect Tribal nations.

• In November, Treasury published initial guidance on the prevailing wage and apprenticeship standards. And in December, Treasury and the IRS issued several pieces of guidance to help taxpayers access tax benefits from the law’s clean vehicles and energy efficient commercial buildings and homes provisions.

• Treasury, in partnership with the IRS, has also begun work on a strategic operating plan to set out a path for the historic ten-year investment in the IRS to modernize tax administration, improve taxpayer services and make the tax code fairer.
RESPONDING TO RUSSIA’S WAR IN UKRAINE

- Treasury, in coordination with partners and allies around the world, marshaled a historic sanctions coalition of over 30 countries to disrupt Russia’s military supply chains and deny Putin the revenue he needs to wage his war, resulting in major impact to the Russian economy and defense sector.

- Treasury also coordinated with allies bilaterally and multilaterally at forums like the G20 to condemn Russia’s actions and address the global headwinds they’ve created, including issues like food security, as well as distributing $13 billion in bilateral economic assistance to Ukraine. In addition, Treasury pressed allies and international financial institutions to also step up to support Ukraine’s funding needs and medium- and long-term reconstruction.

- Treasury, along with the U.S. Department of Justice, led the Russian Elites, Proxies, and Oligarchs (REPO) Task Force to freeze and seize billions of dollars of assets held by sanctioned Russian elites around the world.

- Treasury worked closely with the G7, European Union, and Australia to jointly set a cap on the price of seaborne Russian oil to restrict Vladimir Putin’s primary source of revenue for his illegal war while simultaneously preserving the stability of global energy supplies.

PROTECTING CONSUMERS AND THE FINANCIAL SYSTEM FROM RISKS POSED BY DIGITAL ASSETS WHILE FOSTERING INNOVATION

- As part of President Biden’s Executive Order, Treasury published multiple reports on digital assets, offering recommendations on topics including implications for the future of money and payments, illicit finance, consumer protection, and financial stability. This work built on the 2021 stablecoin report produced by the President’s Working Group on Financial Markets and was produced in consultation with financial regulatory agencies and other interagency partners.

- Soon after the failure of FTX, Secretary Yellen noted that, “Some of the risks we identified . . . including comingling of customer assets, lack of transparency, and conflicts of interest, were at the center of the crypto market stresses observed over the past week.” Treasury
continues to monitor the rise in usage of digital assets, and implications for consumers, investors and the financial system.

- Treasury also issued new and innovative sanctions on virtual currency exchanges used for illicit activity, such as laundering proceeds from cyber heists.

**BOLSTERING TREASURY MARKET RESILIENCE AND MAINTAINING A COMPETITIVE ECONOMY**

- Treasury continued to make progress on enhancing the resilience of the Treasury Market, working with regulatory partners on steps to improve market intermediation, require more dealers to register, and make transactions more transparent.
- Treasury released a report on the impact of non-bank fintech firms on competition in consumer finance markets, identifying opportunities and risks and recommending new protections for consumers, businesses, and the financial system.

**TACKLING THE CLIMATE CRISIS**

- As noted above, Treasury is playing a significant role in the implementation of the Inflation Reduction Act’s historic climate change investments.
- The Financial Stability Oversight Council, chaired by Treasury, has developed and advanced 30+ recommendations to address climate-related financial risk to the U.S. financial system. FSOC also this year created a climate-related advisory committee to receive information and analysis on climate-related financial risks from a broad array of stakeholders.
- Treasury led the U.S. government’s engagement with donor countries and South Africa to establish a novel and impactful climate partnership model, the Just Energy Transition Partnership (JETP). Treasury then co-led donor engagement on and development of the $20 billion Indonesia JETP, the largest-ever standalone climate finance deal.
- Through a nearly $1 billion loan to the Climate Investment Funds’ (CIF) Clean Technology Fund (CTF), Treasury is helping to deliver on President Biden’s pledge to quadruple the United States’ international public climate finance pledge by FY24.
STRENGTHENING OUR NATION’S COMMITMENT TO TRIBAL COMMUNITIES

- In June, Secretary Yellen traveled to the Rosebud Indian Reservation in South Dakota—the first time in history a U.S. Treasury Secretary visited a Tribal nation. During the visit, Secretary Yellen heard first-hand from Tribal citizens about the unique challenges they and Tribal nations around the country face and discuss how Tribal communities and the federal government can partner together to accelerate the economic recovery for all Tribal citizens.

- During the visit to the Rosebud Indian Reservation, President Biden announced his intent to appoint Lynn Malerba, Lifetime Chief of the Mohegan Indian Tribe, as Treasurer of the United States, the first Native American to hold that position. Chief Malerba was sworn in as Treasurer in September.

- Treasury has issued a historic level of financial support to provide critical recovery assistance and improve the health and well-being of Tribal citizens. The $20 billion in State and Local Fiscal Recovery Funds allocated to Tribal governments through the American Rescue Plan represents the largest single infusion of federal funding into Indian Country and is already being used to jumpstart their recovery and invest in transformative initiatives for their economies.

- In June, Treasury established a new Office of Tribal and Native Affairs, which reports to the Treasurer and coordinates Tribal relations throughout the Department.

FOSTERING EQUITY IN OUR ECONOMIC LANDSCAPE

- Treasury has made over $8.28 billion of investments in 162 Community Development Financial Institutions and Minority Depository Institutions across the country through the Emergency Capital Investment Program (ECIP). These funds support the efforts of community financial institutions to provide loans, grants, and other assistance to small and minority-owned businesses and consumers, especially in low-income and financially underserved communities. In its implementation of ECIP, Treasury is providing additional incentives to participants for “deep impact lending,” including loans to low-income borrowers and underserved small businesses.

- In October, the Department formed the Treasury Advisory Committee on Racial Equity. The first-of-its-kind committee will provide advice and recommendations to Treasury on efforts to promote equity in the economic landscape.
to advance racial equity in the economy and address acute disparities for communities of color.

**IMPLEMENTING HISTORIC NEW TRANSPARENCY STANDARDS TO PROTECT THE U.S. FINANCIAL SYSTEM FROM ABUSE**

- Building on years of bipartisan work by Congress, the Administration, national security and law enforcement agencies, and other stakeholders, Treasury’s Financial Crimes Enforcement Network (FinCEN) announced a new rule on beneficial ownership reporting under the Corporate Transparency Act to crack down on criminals, corrupt individuals, and other bad actors who seek to take advantage of America’s financial system for illicit purposes.

- This rule will help strengthen U.S. national security by making it more difficult for oligarchs, terrorists, and other global threat actors to use complex legal structures to launder money, traffic humans and drugs, and commit other crimes that threaten harm to the American people.

- The rule also will help level the playing field for honest businesses that play by the rules but are at a disadvantage when competing against bad actors who use shell companies to evade taxes, hide their illicit wealth, and defraud customers and employees.