

Remarks by Deputy Secretary of the Treasury Wally Adeyemo at White House event “Lowering Costs: Inflation Reduction Act Briefing”

January 17, 2023

As prepared for delivery

Thank you, Secretary Granholm, and thank you all for joining me today. The Inflation Reduction Act is the most significant piece of legislation in our country's history when it comes to building a clean energy future. The law puts in place broad-based incentives to drive investment and job growth, while lowering costs for American families.

Nearly three-quarters of the Inflation Reduction Act's climate investments—\$270 billion—are delivered via tax incentives. We at Treasury have been working hard, in close partnership with colleagues across the government, to implement these provisions in an equitable manner that allows all Americans to share in the gains from the transition to a green economy.

Many of these tax incentives directly benefit American families by lowering their energy costs, in addition to the profound climate, economic, and national security benefits.

Here are some of the ways that households can lower their energy costs because of the IRA:

Families are eligible for up to \$1,200 to make their homes more energy efficient with new insulation, windows, doors, electrical upgrades, and more energy efficient air conditioning, heating, and hot water.

In addition, families can claim a tax credit of up to \$2,000 to replace existing furnaces and air conditioners with energy efficient heat pumps, which provide heating and cooling and can save families hundreds of dollars a year.

Households can claim tax credits to cover 30 percent of the costs of installing rooftop solar, including battery storage, again lowering their energy costs by hundreds of dollars a year.

Families can receive up to \$7,500 to buy a new clean vehicle, and up to \$4,000 for a pre-owned clean vehicle. Consumers can find a list of eligible vehicles on the IRS website, and it will continue to be updated.



Consumers and communities can learn more about these benefits at [CleanEnergy.gov](https://www.CleanEnergy.gov).

So far, I've only discussed the tax credits that households can claim directly. Local communities can also access the tax credits to benefit in a number of ways, like new clean vehicle fleets, or community solar projects. The law also provides tax incentives for businesses that are already catalyzing investment and creating jobs across the country.

Crucially, the law's incentives are designed to create good, middle-class jobs in clean energy fields, and pathways to those jobs through apprenticeships. Guidance that Treasury and IRS recently issued makes those rules effective starting this month.

And the law advances equity and environmental justice in numerous ways, including through tax incentives for investments in low-income and historic energy communities. Those communities that have not shared equitably in economic growth; those that have borne the brunt of past pollution; and those most exposed to the dangers of climate change, cannot be left behind.

We are committed to implementing the law in a way that advances equity and creates opportunities in those communities—communities represented by many of you here today. And we realize that the only way that happens is if your voices are heard throughout the implementation process.

As Treasury works to implement the law, we are guided by three core principles:

One, robust public engagement. We are engaging a broad spectrum of stakeholders to inform our guidance and rulemaking.

Two, clarity and certainty. Treasury is working expeditiously to provide clarity and certainty to taxpayers, so the climate and economic benefits of this historic legislation can be felt as quickly as possible.

And three: sound stewardship. Treasury is working closely with the IRS to ensure the benefits are delivered as Congress intended.

Before I close, I would also note that we are hard at work on other areas of Inflation Reduction Act implementation to make our tax system fairer and improve the service IRS provides to taxpayers.

A well-resourced IRS with a confirmed Commissioner is essential for effective implementation of the IRA's clean energy credits and other tax benefits, and for ensuring the fairness of our tax system overall.



We appreciate your input on how the IRS can better serve taxpayers. Your feedback and suggestions will help inform the plan for IRS transformation that is currently under development.

However, this transformation is only possible with funding provided by the IRA, and we need everyone making the case for these resources over the long term.

As we look ahead in calendar year 2023, we're working hard on getting out additional guidance so that consumers, businesses, and communities can best access the benefits.

###

