

Item #

REPORT: Inflation Reduction Act Opportunities and Impacts for the KC Region

Inflation Reduction Act (IRA)

- **Expenditures: \$499 billion** in new spending and tax reductions
- **Revenues: \$738 billion** in health savings and new revenues including taxes and fees.
- **Major Elements:**
 - Climate and Energy
 - Tax policy
 - Health care

Climate

- Provides **\$5.95 billion** to support the nation's farmers, ranchers and foresters
- Establishes a **\$3 billion** Environmental Justice Block Grant Program within the U.S. Environmental Protection Agency
- Invests **\$27 billion** in a Greenhouse Gas Reduction Fund at EPA to provide financial assistance to cities and counties to support projects to reduce greenhouse gas emissions

Tax Policy

- Allows local governments to elect for direct pay in lieu of certain clean energy tax credits

Health Care

- Extends Affordable Care Act (ACA) premium subsidies to 2025
- Caps annual out-of-pocket cost of prescription drugs for Medicare beneficiaries each year at \$2,000

Discussion Questions

- What elements of this new legislation are of most interest to you?
- What activities are underway in your jurisdictions or in the region that may be impacted by the IRA?
- What challenges have the new federal programs in ARPA, BIL and IRA created for your cities and counties?
- Where should MARC staff and committees focus efforts to leverage these new programs for the benefit of the region?