

David Trone voted for another reckless spending spree that could raise taxes on the middle-class by more than \$10 billion, hire 87,000 new IRS agents to target middle-class taxpayers, and does little to reduce inflation.

BACKUP:

David Trone voted in favor of several spending bills:

- **David Trone voted in favor of the American Rescue Plan Act.** (H.R. 1319, [Roll Call Vote 49](#): Passed 219-212: R 0-210, D 219-2, David Trone Voted Yea, 2/27/21)
 - **American Rescue Plan was a “\$1.9 trillion coronavirus spending bill.”** “One year after President Joe Biden signed Democrats’ \$1.9 trillion coronavirus spending bill into law, the majority of the funds have gone out to states, schools, federal agencies and grantees across the country to boost things like health care, education, direct payments to families and the pandemic response. But not all the money has been spent, and as the administration faces criticism for the highest inflation rate in decades, many Republicans also blame the infusion of billions of dollars in federal funds from the relief bill, or the American Rescue Plan (ARP), even as Biden officials call it essential to recovery.” (Austin Landis, “One year on, Biden admin. has dispensed most of \$1.9 trillion COVID relief fund,” [Spectrum News NY1](#), 3/11/22)

- **David Trone voted in favor of Build Back Better.** (H.R. 5376, [Roll Call 385](#), Passed 220-213, R: 0-212, D: 220-1, David Trone voted Yea, 11/19/21)
 - **Build Back Better is “a sweeping \$1.9 trillion spending plan.”** “A sweeping \$1.9 trillion spending plan, known as the Build Back Better bill, is making its way through Congress and could make a key part of President Joe Biden's economic agenda a reality.” (Katie Lobosco and Tami Luhby, “10 things you didn’t know are in the Democrats’ Build Back Better bill,” [CNN](#), 12/8/21)

- **David Trone voted in favor of the Infrastructure Investment and Jobs Act.** (H.R. 3684, [Roll Call 369](#), Passed 228-206, R: 13-200, D: 215-6, David Trone voted Yea, 11/5/21)
 - **The Infrastructure Investment and Jobs Act “contains an estimated \$550 billion in new spending above baseline levels.”** “By almost any measure, IJA is enormous. The roughly \$1.2 trillion bill contains an estimated \$550 billion in new spending above baseline levels. This spending touches every sector of infrastructure, from transportation and water to energy, broadband, and the resilience and rehabilitation of our nation’s natural resources.” (Adie Tomer, Caroline George, Joseph W. Kane, and Andrew Bourne, “America has an infrastructure bill. What happens next?” [Brookings](#), 11/9/21)

On August 12, 2022, David Trone voted Yea on H.R. 5376, the Inflation Reduction Act of 2022:

- On August 12, 2022, David Trone voted Yea on H.R. 5376, the Inflation Reduction Act of 2022. (H.R. 5376, [Roll Call 420](#), Passed 220-2074: R 0-2074, D 220-0, David Trone Voted Yea, 8/12/2022)

The Inflation Reduction Act could generate nearly \$10.6 billion in tax revenues from earners making as much as \$200,000 and generate more than \$8 billion in tax revenues from earners making between \$200,000 and \$500,000, excluding the effect of Affordable Care Act subsidies:

- According to the Congressional Joint Committee on Taxation, the Inflation Reduction Act could generate nearly \$10.6 billion in tax revenues from earners making as much as \$200,000 and generate more than \$8 billion in tax revenues from earners making between \$200,000 and \$500,000, excluding the effect of Affordable Care Act subsidies.

Income Category	Change in Federal Taxes (in Millions)
Less than \$10,000	\$88
\$10,000 to \$20,000	\$83
\$20,000 to \$30,000	\$155
\$30,000 to \$40,000	\$259
\$40,000 to \$50,000	\$351
\$50,000 to \$75,000	\$1,222
\$75,000 to \$100,000	\$1,577
\$100,000 to \$200,000	\$6,833
Subtotal:	\$10,568
\$200,000 to \$500,000	\$8,741
Total:	\$19,309

(Joint Committee on Taxation, "Distributional Effects Of Selected Provisions From Subtitle A And Subtitle D Of Title I - Committee On Finance Of An Amendment In The Nature Of A Substitute To H.R. 5376," [House Budget Committee Republicans](#), 8/10/22)

Editor's Note: According to the U.S. Census Bureau, the median household income in the U.S. was \$67,521 in 2020.

The Inflation Reduction Act could authorize the hiring of 87,000 new IRS agents to audit middle-class taxpayers and small businesses:

- The Congressional Budget Office estimates that the Inflation Reduction Act sets aside \$80 billion to hire 87,000 Internal Revenue Service agents. "Under the Inflation Reduction Act negotiated by Sen. Joe Manchin (D., W.Va.), the agency would receive \$80 billion in funding to hire as many as 87,000 additional employees. The increase would more than double the size of the IRS workforce, which currently has 78,661 full-time staffers, according to federal data." (Joseph Simonson, "Dems Poised To Make IRS Larger Than Pentagon, State Department, FBI, and Border Patrol Combined," [The Washington Free Beacon](#), 8/6/2022)
 - Congressional Budget Office analysis confirms that small business owners are going to be targeted. "The CBO analysis confirms an earlier report from the Joint

Committee on Taxation that found that throwing an extra \$80 billion at the IRS to improve the agency's collection of under-reported income will end up targeting small business owners to pay for the legislation. The IRS is expected to bring in more than \$180 billion from other, wealthier taxpayers. Small business owners will find themselves in the crosshairs of the new wave of IRS auditors, tax experts said." (Lydia Moynihan, "Inflation Reduction Act will cost middle class \$20B in new taxes: CBO," [New York Post](#), 8/15/2022)

- **Treasury Secretary Janet Yellen has acknowledged that the increase in IRS agents could lead to increased collections from middle-class taxpayers.** "But Treasury Secretary Janet Yellen has acknowledged the new and improved IRS could ramp up collections from middle-class taxpayers. In a letter to the IRS commissioner last week, Yellen directed 'any additional resources ... shall not be used to increase the share of small business or households below the \$400,000 threshold that are audited relative to historical levels.' In other words, Yellen conceded that middle-class taxpayers will face more audits and pay more taxes – but that they won't be unfairly targeted." (Lydia Moynihan, "Inflation Reduction Act will cost middle class \$20B in new taxes: CBO," [New York Post](#), 8/15/2022)

The effects of the Inflation Reduction Act's spending and revenue proposals in getting inflation under control could take months, with potentially little to no effect:

- **The Inflation Reduction Act contains about \$740 billion in taxes and \$433 billion in spending.** "The package contains roughly \$740 billion in new revenue proposals and \$433 billion in new spending. In addition to more funding for IRS enforcement, it includes a 15 percent minimum corporate tax, a host of green energy tax incentives and empowers Medicare to negotiate for lower drug costs. It also caps pharmacy costs for 50 million Americans on Medicare at \$2,000 per year. The package also marks \$369 billion for energy security and climate change and \$64 billion to extend health care subsidies for the Affordable Care Act. It leaves \$300 billion to reduce the deficit." (Elizabeth Elkind, "America's middle class will end up paying \$20billion in taxes as a result of the Democrats' Inflation Reduction Act, nonpartisan Congressional Budget Office report suggests," [Daily Mail](#), 8/15/2022)
- **The Director of Economic Policy at the Bipartisan Policy Center said that the Inflation Reduction Act is "not likely to have a major impact on inflation in the next few months."** "The proposal won't help curb inflation dramatically nor right away, experts say. 'It's not likely to have a major effect on inflation in the next few months,' Akabas said." (Juliana Kim, "What the Inflation Reduction Act does and doesn't do about rising prices," [NPR](#), 8/13/2022)
- **In a study conducted by The University of Pennsylvania Wharton School of Business, it was determined that the impact of this legislation on inflation "would be too small to be detectable."** "• WBM estimates a \$248 billion reduction in accumulated deficits over the 10-year budget versus \$305 billion for CBO. This difference is less than 0.1% (one tenth of one percent) of projected total revenue and is due to differences in the corporate minimum tax provision. • CBO and PWBM use different economic baselines, with CBO's baseline from July 2021. CBO's estimate, therefore, might change once they update their baselines

to reflect more recent economic conditions. Other differences are related to PWBM's estimates of the level and timing of financial ("book") statement income, the reporting of which is more discretionary than taxable income under current law. • The impact on inflation is statistically indistinguishable from zero for either estimate. Over the first five years (2022 - 2026), CBO estimates only \$21 billion in accumulated deficit reduction. Over the same period, however, payments to liquidity constrained households, including Affordable Care Act subsidies, exceed total deficit reduction, with the sum mostly paid by entities and households that are not liquidity constrained. The impact on inflation could be positive or negative; regardless, it would be too small to be detectable in PCE inflation estimates that the Bureau of Economic Analysis reports to the first decimal place." (Alex Arnon and Kent Smetters, "Inflation Reduction Act: Comparing CBO and PWBM Estimates," [Penn Wharton University of Pennsylvania](#), 8/5/2022)

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