



Deal on Senate Reconciliation Bill Announced, Major Tax Provisions Within

JULY 28, 2022

Yesterday afternoon, Senator Joe Manchin (D-WV) and Senate Majority Leader Charles E. Schumer (D-NY) announced a last-minute deal—the *Inflation Reduction Act of 2022*—containing significant changes to federal tax policy and IRS administration, including:

- a new 15% corporate minimum tax imposed on large corporations with adjusted financial statement income in excess of \$1 billion, effective for tax years beginning after December 31, 2022;
- modification to the rules on carried interest to apply short-term capital gains rates; and
- increased appropriations for IRS enforcement efforts, taxpayer services, and business modernization systems.

Senate leadership intends to raise the bill for consideration under the rules of budget reconciliation before the Senate breaks for its August recess.

The bill, which is the result of negotiations from the *Build Back Better Act*, contains a number of other notable non-tax provisions related to climate change, health care and energy. Collectively, the bill's tax provisions coupled with other revenue raisers are expected to raise \$739 billion.

For a more in-depth look at the key provisions of *the Inflation Reduction Act of 2022*, please visit our follow-up blog [here](#).

For further information, please contact the authors or your Winston relationship attorney.

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