

Americans on Proposals in the Inflation Reduction Act of 2022



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OVERVIEW

After more than a year of negotiations, President Biden and Democrats in the U.S. Senate have finalized their legislative framework for addressing climate change, health care, the economy, and the tax system. The Inflation Reduction Act of 2022, the latest iteration of their proposals, was approved by the Senate through the budget reconciliation process. It is now poised to pass the U.S. House of Representatives and be sent to the President's desk.

The <u>Program for Public Consultation</u> (PPC) of the School of Public Policy at the University of Maryland analyzed its own public consultation surveys and <u>Deliberative Democracy Lab's</u> (formerly Stanford's Center on Deliberative Democracy) deliberative polls on the major proposals included in the bill – a total of 20 policy proposals.

Seventeen proposals were tested by PPC, using public consultation surveys, in which a nationally representative sample of respondents are briefed on the proposal and evaluate arguments for and against before coming to their conclusions. Survey content is reviewed in advance by experts on different sides to ensure that the briefing is accurate and balanced and that the arguments are the strongest ones being made.

Three proposals were tested by the Deliberative Democracy Lab, using deliberative opinion polls, in which a nationally representative sample of respondents are provided a detailed briefing on each issue and proposal, and deliberate in-person with experts and peers before making their final recommendation.

Nineteen of the proposals tested in The Inflation Reduction Act of 2022 have majority support, in most cases large majorities. This includes majorities of Democrats and Independents. In just one case, bipartisan majorities oppose the proposal. Among Republicans, majorities support 13 of the proposals and are roughly divided on 2 proposals. Just 5 proposals are opposed by majorities of Republicans.

SUMMARY

ENERGY & THE ENVIRONMENT

National Green Bank - A large majority supports establishing a national green bank that would use federal funds to leverage private investments in emissions-reduction projects

Clean Energy Tax Credits - Large bipartisan majorities support three tax credits for clean energy equipment and production; majorities support a fourth, while Republicans are divided.

Energy-Efficiency Improvement Tax Credits - Large bipartisan majorities support tax credits for energy-efficiency improvements.

Electric Bus Tax Credits - Bipartisan majorities support using tax credits to increase the number of electric buses.

Electric Car Tax Credits - Large majorities support using tax credits to increase the number of electric cars. But a majority of Republicans are opposed.

Biogas Tax Credit - A large bipartisan majority supports a tax credit for building a facility that turns methane into biogas.

Carbon Sequestration Subsidies - A bipartisan majority has opposed subsidizing carbon sequestration technology.

WORKFORCE DEVELOPMENT

Job Training - Large bipartisan majorities support increased funding for job training in the energy industry.

Apprenticeships - A large bipartisan majority supports increasing apprenticeships by offering tax credits.

TAXES

IRS Tax Enforcement Budget - A large majority favors increasing the IRS' budget to bolster tax enforcement, particularly on those making over \$400,000, with a slight majority of Republicans opposed.

HEALTH CARE

Medicare Negotiating Drug Prices - A large bipartisan majority supports allowing Medicare to negotiate drug prices directly with pharmaceutical companies.

Raising Income Cut-Off for ACA Subsidies - A bipartisan majority supports expanding the ACA subsidies to raise the income cut-off to include more people.

Increasing ACA Subsidies for Low-Income Buyers - A majority supports increasing the ACA subsidies for low-income people.

ANALYSIS

ENERGY & THE ENVIRONMENT

National Green Bank

A large majority supports establishing a national green bank that would use federal funds to leverage private investments in emissions-reduction projects

<u>The Inflation Reduction Act of 2022 includes</u>: Establishing a national green bank, called the Greenhouse Gas Reduction Fund, that would use \$27 billion in federal funds to leverage private investments in local emission-reduction projects.

<u>Public Views</u>: A public consultation survey found a national majority in favor of establishing a national green bank, but less than half of Republicans.

Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then evaluated arguments for and against establishing a national green bank that would help create local green banks and help fund clean energy projects. In the end, 67% favored creating a national green bank and seeding it with \$35 billion in federal funds, including 92% of Democrats and 68% of independents. Among Republicans, just 36% favored the proposal, but nearly half found the proposal at least tolerable (47%). (October 2020, PPC)

Clean Energy Tax Credits

Large bipartisan majorities support tax credits for clean energy equipment and production.

<u>The Inflation Reduction Act of 2022 includes</u>: Incentivizing the production of clean energy through the use of tax credits, including for:

- investments into clean energy production equipment: up to 30%
- the production of clean energy: up to 2.5 cents per kilowatt-hour
- the production transportation fuel that emits substantially less carbon emissions: up to \$1 per gallon
- investments in small-scale residential clean energy production: up to 30%

<u>Public Views</u>: Public consultation surveys found large bipartisan majorities in favor of nearly identical tax credits to subsidize clean energy equipment and production.

Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then evaluated arguments for and against increasing the use of tax credits to reduce emissions. In the end, they gave their final recommendations on a series of tax credits.

Bipartisan majorities favored tax credits for:

- the cost of equipment that produces clean energy, such as solar panels or wind turbines, or stores clean energy: up to 30% (75%, Democrats 91%, Republicans 58%) (*October 2020, PPC*)
- the amount of electricity produced with clean energy: up to 5-10% of the average retail cost of electricity (76%, Democrats 89%, Republicans 62%) (*October 2020, PPC*)
- the cost of installing small residential wind and fuel cell micro-turbines to generate energy for homes (73%, Democrats 85%, Republicans 62%) (*June 2016, PPC*)

A proposal for making ordinary fuel cleaner also received majority support, but only half among Republicans.

• Producing transportation fuel that produces 25% less emissions: up to \$1 per gallon (62%, Democrats 74%, Republicans 50%) (*October 2020, PPC*)

Energy-Efficiency Improvement Tax Credits

Large bipartisan majorities support tax credits for energy-efficiency improvements.

<u>The Inflation Reduction Act of 2022 includes</u>: Improving the energy-efficiency of homes and commercial buildings through the use of tax credits, including for:

- building a new energy-efficient home or residential building: up to \$5,000
- installing a new energy-efficient heating and cooling system: up to \$8,000
- insulating or sealing a home: up to \$1,600
- energy-saving improvements to commercial buildings: up to \$5 per square foot.

<u>Public Views</u>: A public consultation survey found large and bipartisan majorities in favor of tax credits to subsidize energy-efficiency improvements:

Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then evaluated arguments for and against increasing the use of tax credits to reduce emissions. In the end, they gave their final recommendations on a series of tax credits.

Bipartisan majorities favored tax credits for energy-efficiency improvements:

- building a new energy-efficient home or residential building: up to \$3,000 (79%, Democrats 88%, Republicans 70%)
- making energy-saving improvements such as fuel-efficient lighting, doors, windows, or insulation: up to \$6,500 (78%, Democrats 87%, Republicans 70%)
- installing a new energy-efficient heating or air conditioning system: up to \$1,500 (84%, Democrats 93%, Republicans 75%)
- making energy-saving improvements to commercial buildings: up to \$9.25 per square foot (66%, Democrats 78%, Republicans 52%) (October 2020, PPC)

Electric Bus Tax Credits

A large and bipartisan majority supports using tax credits to increase the number of electric buses.

<u>The Inflation Reduction Act of 2022 includes</u>: Increasing the production and sale of medium- and heavy-duty electric vehicles, including buses, through a consumer tax credit equivalent to 30% of the purchase price (capped at \$40,000 per purchase).

<u>Public Views</u>: A public consultation survey found a bipartisan majority in favor of a similar proposal, that would provide a tax credit for manufacturers of fully electric buses:

• Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then evaluated arguments for and against increasing the use of tax credits to reduce emissions. In the end, 69% favored a tax credit for manufacturers of fully electric buses, equal to 10% of the sales price of each bus sold (Democrats 84%, independents 65%, Republicans 52%). (October 2020, PPC)

Electric Car Tax Credits

Large majorities support using tax credits to increase the number of electric cars, with a majority of Republicans opposed.

<u>The Inflation Reduction Act of 2022 includes</u>: Increasing the production and sale of electric cars through tax credits, including for the purchase of:

- new electric cars for buyers making less than \$150,000: up to \$7,500
- used electric cars priced under \$25,000: up to \$4,000

<u>Public Views</u>: A public consultation survey found large majorities, sometimes bipartisan, in favor of similar tax credits for new and used electric cars.

Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then evaluated arguments for and against increasing the use of tax credits to reduce emissions. In the end, they gave their final recommendations on a series of tax credits related to electric vehicles:

- For the purchase of a new electric car, a tax credit up to \$7,500 (63%, Democrats 80%, independents 64%). Among Republicans 43% favored and 55% opposed. Half of Republicans 18-34 years old were in favor (49%).
- For the purchase of a used electric car, for buyers making under \$30,000, a tax credit of \$5,000 (64%, Democrats 84%, independents 63%). Among Republicans 42% favored and 56% opposed.

Some Republican demographic groups were in favor, including 18–34-year-olds (53%), non-whites (64%), those in households with income below \$30,000 (60%), and women (50%). (*October 2020, PPC*)

Biogas Tax Credit

A large bipartisan majority supports a tax credit for building a facility that turns methane into biogas.

<u>The Inflation Reduction Act of 2022 includes</u>: Incentivizing the building of facilities that turn methane into biogas, through the use of a tax credit equal to 30% of the initial investment.

<u>Public Views</u>: A public consultation survey found a bipartisan majority in favor of a similar proposal that would provide a tax credit to farmers for building biogas facilities:

Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then were
informed of biogas production on farms. In the end, 77% favored the government offering a 30% tax credit
to farmers to help them build biogas facilities on their farms (Democrats 88%, Republicans 66%). (June
2016, PPC)

Carbon Sequestration

A bipartisan majority has opposed subsidizing carbon sequestration technology

<u>The Inflation Reduction Act of 2022 includes</u>: Increasing the incentive for carbon-producing power plants, particularly coal plants, to sequester their carbon emissions, by increasing and expanding carbon sequestration tax credits.

<u>Public Views</u>: A public consultation survey found a bipartisan majority opposed to the government subsidizing carbon sequestration for coal plants.

Respondents were first briefed on the topics of air pollution and greenhouse gasses, and then evaluated
arguments for and against subsidizing carbon sequestration for coal plants. In the end, 55% opposed "the
federal government providing subsidies for developing and building new technologies to capture and store
carbon dioxide from coal plants," including 57% of Republicans and 52% of Democrats. (June 2016, PPC)

WORKFORCE DEVELOPMENT

Job Training

Large bipartisan majorities support increased funding for sector-based job training, specifically in cybersecurity and the energy industry.

<u>The Inflation Reduction Act of 2022 includes</u>: Developing the clean energy and conservation workforce, by providing grants to cities and states to train workers in those areas.

<u>Public Views</u>: A public consultation survey found a large bipartisan majority in favor of increasing funding for job training in the energy industry, as one approach to mitigate the negative effects of increasing international trade.

Respondents were first briefed on federal funding for workforce development, and evaluated arguments
for and against increasing it, before giving their final recommendation on proposals related to workforce
development. In the end, 82% favored increasing the amount spent on training programs for jobs in the
energy industry (Democrats 93%, Republicans 72%) (May 2019, PPC)

Apprenticeships

A large bipartisan majority supports increasing apprenticeships through offering tax credits.

<u>The Inflation Reduction Act of 2022 includes</u>: Incentivizing companies to provide apprenticeships, by increasing clean energy tax credits for companies that provide apprenticeship programs.

<u>Public Views</u>: A public consultation survey found a large bipartisan majority in favor of increasing apprenticeships through offering tax credits to employers.

Respondents were first briefed on federal funding for workforce development, and evaluated arguments
for and against increasing it, before giving their final recommendation on proposals related to workforce
development. In the end, 83% favored encouraging employers to offer more extensive apprenticeship
programs by offering them a tax credit up to \$5,000 for each new apprentice (Democrats 87%,
Republicans 82%). (May 2019, PPC)

TAXES

IRS Tax Enforcement Budget

A large majority favors increasing the IRS' budget to bolster tax enforcement, particularly on those making over \$400,000, with a slight majority of Republicans opposed.

<u>The Inflation Reduction Act of 2022 includes</u>: Improving the enforcement of tax laws against very high-income earners, by Increasing funding for IRS tax enforcement by \$8 billion a year.

<u>Public Views</u>: A public consultation survey found majority support for that exact proposal:

• Respondents were first briefed on the proposal for increasing the IRS' budget for enforcement; and evaluated arguments for and against. In the end, 68% were in favor, including 88% of Democrats and 65% of independents. Among Republicans, 46% were in favor, with 52% opposed.

However, majorities of Republicans in some demographic groups were in favor, including 18–34-year-olds (57%), non-whites (57%), and those in households making below \$30,000 (60%).

When broken out six ways, according to Cook's PVI rating, the proposal garnered majority support from voters in very red (64%) as well as very blue congressional districts (79%). (*August 2021, PPC*)

HEALTH CARE

Medicare Negotiating Drug Prices

A large bipartisan majority supports allowing Medicare to negotiate drug prices directly with pharmaceutical companies.

<u>The Inflation Reduction Act of 2022 includes</u>: Allowing Medicare to negotiate drug prices with pharmaceutical companies.

<u>Public Views:</u> A deliberative opinion poll by the Deliberative Democracy Lab at Stanford University found robust bipartisan majority support for allowing Medicare to negotiate drug prices:

 Respondents were first provided a detailed briefing on prescription drug prices, and then deliberated on the topic with experts and peers. In the end, 92% favored a policy to, "allow Medicare to negotiate drug prices," including equal shares of Democrats and Republicans (92%). (2019, Deliberative Democracy Lab)

Raising Income Cut-Off for ACA Subsidies

A bipartisan majority supports expanding the ACA subsidies to raise the income cut-off to include more people.

<u>The Inflation Reduction Act of 2022 includes</u>: Renewing the American Rescue Plan's expansion of ACA subsidies to cover more middle-income households, by capping premiums at 8.5% of income and lowering deductibles for all income groups.

<u>Public Views</u>: A deliberative opinion poll by the Deliberative Democracy Lab found bipartisan majority support for raising the income cut-off to receive the subsidies.

Respondents were first provided a detailed briefing on health insurance costs and the Affordable Care Act subsidies and deliberated on the topic with experts and peers. In the end, expanding ACA subsidies to those making above 400 percent of the federal poverty line was favored by 72%, including 87% of Democrats and 51% of Republicans (opposed 28%, in the middle 21%). (2019, Deliberative Democracy Lab)

Increasing ACA Subsidies for Low-Income Buyers

A majority supports increasing the ACA subsidies for low-income people. Among Republicans, a plurality are opposed.

<u>The Inflation Reduction Act of 2022 includes</u>: Renewing the American Rescue Plan's increase to ACA subsidies for low-income earners, by lowering the percent-of-earnings caps on premiums for all income groups and lowering deductibles.

<u>Public Views</u>: A deliberative opinion poll by the Deliberative Democracy Lab found overall majority support for increasing health insurance subsidies for low-income earners, with a majority of Republicans in favor or "in the middle".

Respondents were first provided a detailed briefing on health insurance costs and the Affordable Care Act subsidies and deliberated on the topic with experts and peers. In the end, increasing the size of the ACA subsidies that go to people making under 200 percent of the federal poverty line (about \$24,000 for an individual) was favored by 60%, including 82% of Democrats. Among Republicans, less than half (40%) were opposed, with 33% in favor and 27% answering "in the middle". (2019, Deliberative Democracy Lab)

APPENDIX

The <u>Program for Public Consultation</u> (PPC) of the School of Public Policy at the University of Maryland analyzed its own public consultation surveys and <u>Deliberative Democracy Lab's</u> (formerly Stanford's Center on Deliberative Democracy) deliberative polls on major proposals included in the Inflation Reduction Act of 2022 – a total of 20 policy proposals.

Overall, 19 of the proposals are supported by national majorities, often a large majority, and one is opposed. Among Democrats and independents, majorities support 19 of the proposals and oppose one. Among Republicans, majorities support thirteen proposals, are divided on two, and oppose five. The table below outlines the level of support nationally and among Republicans and Democrats for the proposals tested in the bill.

ENERGY & THE ENVIRONMENT

	INFLATION REDUCTION ACT OF 2022	PROPOSAL TESTED	USA ***	GOP	DEM	SUPPORT
1.	Establishing a national green bank, called the Greenhouse Gas Reduction Fund, that would use \$27 billion in federal funds to leverage private investments in local emission-reduction projects.	Create a national green bank and seeding it with \$35 billion in federal funds (<i>October 2020, PPC</i>)	67%	36%	92%	
2.	Incentivizing the production of clean energy through the use of tax credits investments into clean energy production equipment: up to 30%	Provide tax credits for the cost of equipment that produces clean energy, such as solar panels or wind turbines, or stores clean energy: up to 30% (<i>October 2020, PPC</i>)	75%	58%	91%	
3.	Incentivizing the production of clean energy through the use of tax credits, including for: the production of clean energy: up to 2.5 cents per kilowatt-hour	Provide tax credits for the amount of electricity produced with clean energy: up to 5-10% of the average retail cost of electricity (<i>October 2020, PPC</i>)	76%	62%	89%	
4.	Incentivizing the production of clean energy through the use of tax credits, including for: investments in small-scale residential clean energy production: up to 30%	Provide tax credits for the cost of installing small residential wind and fuel cell microturbines to generate energy for homes (June 2016, PPC)	73%	62%	85%	
5.	Incentivizing the production of clean energy through the use of tax credits, including for: the production transportation fuel that emits substantially less carbon emissions: up to \$1 per gallon	Provide tax credits for the production of transportation fuel that produces 25% less emissions: up to \$1 per gallon (<i>October 2020, PPC</i>)	62%	50%	74%	
6.	Improving the energy-efficiency of homes and commercial buildings through the use of tax credits, including for: building a new energy-efficient home or residential building: up to \$5,000	Provide tax credits for building a new energy-efficient home or residential building: up to \$3,000 (October 2020, PPC)	79%	70%	88%	③
7.	Improving the energy-efficiency of homes and commercial buildings through the use of tax credits, including for: installing a new energy-efficient heating and cooling system: up to \$8,000	Provide tax credits for making energy- saving improvements such as fuel- efficient lighting, doors, windows, or insulation: up to \$6,500 (October 2020, PPC)	78%	87%	70%	☆







14.	Increasing the incentive for carbon- producing power plants, particularly coal plants, to sequester their carbon emissions, by increasing and expanding carbon sequestration tax credits.	Provide subsidies for developing and building new technologies to capture and store carbon dioxide from coal plants (June 2016, PPC)	44%	42%	47%	×
13.	Incentivizing the building of facilities that turn methane into biogas, through the use of a tax credit equal to 30% of the initial investment.	Provide 30% tax credit to farmers to help them build biogas facilities on their farms (June 2016, PPC)	77%	66%	88%	
12.	Increasing the production and sale of electric cars through tax credits, including for the purchase of used electric cars priced under \$25,000: up to \$4,000	Provide tax credits for the purchase of a used electric car, for buyers making under \$30,000, up to \$5,000 (October 2020, PPC)	64%	42%	84%	
11.	Increasing the production and sale of electric cars through tax credits, including for the purchase of new electric cars for buyers making less than \$150,000: up to \$7,500	Provide tax credits for the purchase of a new electric car, up to \$7,500 (<i>October 2020, PPC</i>)	63%	43%	80%	
10.	Increasing the production and sale of medium- and heavy-duty electric vehicles, including buses, through a consumer tax credit equivalent to 30% of the purchase price (capped at \$40,000 per purchase).	Provide tax credits for manufacturers of fully electric buses, equal to 10% of the sales price of each bus sold (<i>October 2020, PPC</i>)	69%	52%	84%	
9.	Improving the energy-efficiency of homes and commercial buildings through the use of tax credits, including for: energy-saving improvements to commercial buildings: up to \$5 per square foot	Provide tax credits for making energy- saving improvements to commercial buildings: up to \$9.25 per square foot (October 2020, PPC)	66%	52%	78%	③
8.	Improving the energy-efficiency of homes and commercial buildings through the use of tax credits, including for: insulating or sealing a home: up to \$1,600	Provide tax credits for installing a new energy-efficient heating or air conditioning system: up to \$1,500 (October 2020, PPC)	84%	75%	93%	

WORKFORCE DEVELOPMENT

	INFLATION REDUCTION ACT OF 2022	PROPOSAL TESTED	USA GOP DEM	SUPPORT
15.	Developing the clean energy and conservation workforce, by providing grants to cities and states to train workers in those areas.	Increase the amount spent on training programs for jobs in the energy industry (May 2019, PPC)	82% 72% 93%	
16.	Incentivizing companies to provide apprenticeships, by increasing clean energy tax credits for companies that provide apprenticeship programs.	Encourage employers to offer more extensive apprenticeship programs by offering them a tax credit up to \$5,000 for each new apprentice (<i>May 2019, PPC</i>)	83% 82% 87%	







TAXES

	INFLATION REDUCTION ACT OF 2022	PROPOSAL TESTED	USA GOP DE	SUPPORT
17.	Improving the enforcement of tax laws against very high-income earners, by Increasing funding for IRS tax enforcement by \$8 billion a year.	Improve the enforcement of tax laws against very high-income earners, by Increasing funding for IRS tax enforcement by \$8 billion a year. (August 2021, PPC)	68% 46% 88	%

HEALTH CARE

	INFLATION REDUCTION ACT OF 2022	PROPOSAL TESTED	USA ***	GOP	DEM	SUPPORT
18.	Allowing Medicare to negotiate drug prices with pharmaceutical companies, and allowing private insurance to use those lower prices, is part of the Inflation Reduction Act.	Allow Medicare to negotiate drug prices (2019, Deliberative Democracy Lab)	92%	92%	92%	
19.	Renewing the American Rescue Plan's expansion of ACA subsidies to cover more middle-income households, by capping premiums at 8.5% of income and lowering deductibles for all income groups.	Expand ACA subsidies to those making above 400 percent of the federal poverty line (2019, Deliberative Democracy Lab)	72%	51%	87%	
20.	Renewing the American Rescue Plan's increase to ACA subsidies for low-income earners, by lowering the percent-of-earnings caps on premiums for all income groups and lowering deductibles.	Increase the size of the ACA subsidies that go to people making under 200 percent of the federal poverty line (about \$24,000 for an individual) (2019, Deliberative Democracy Lab)	60%	33%	82%	







AMERICANS ON PROPOSALS IN THE INFLATION REDUCTION ACT OF 2022

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The Program for Public Consultation seeks to improve democratic governance by consulting the citizenry on key public policy issues governments face. It has developed innovative survey methods that simulate the process that policymakers go through — getting a briefing, hearing arguments, dealing with tradeoffs — before coming to their conclusion. It also uses surveys to help find common ground between conflicting parties. The Program for Public Consultation is part of the School of Public Policy at the University of Maryland.

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