

Industry Continues Crusade Against Inflation Reduction Act A Year After Its Signing Despite Benefits To Average Americans

SUMMARY: Today marks one year since President Biden signed the [transformative](#) Inflation Reduction Act into law. This legislation provided "[nearly \\$400 billion in federal funding to clean energy, with the goal of substantially lowering the nation's carbon emissions by the end of this decade](#)," which has already led to corporate investments of over [\\$270 billion and \\$130 billion](#) in clean energy and electric vehicle technologies, respectively. The legislation also ensured the oil industry would appropriately pay for their use of public resources by [raising](#) onshore and offshore lease rates on publicly-owned land and ending the "[practice of noncompetitive leasing, which in the past has allowed the Department of the Interior to sell leases on tracts of land below predicted market price](#)."

The Inflation Reduction Act also worked to ensure the nation's largest companies began paying their fair share by implementing a 15% corporate minimum tax and 1% tax on stock buybacks, provisions expected to "[reduce the federal deficit by an estimated \\$300 billion over the next decade](#)." This comes after S&P 500 companies [spent](#) a record \$922.7 billion on buybacks in 2022, "up from \$881.7 billion in 2021." In April 2021, a [report](#) from the Institute on Taxation and Economic Policy found that "[at least 55 of the largest corporations in America paid no federal corporate income taxes in their most recent fiscal year despite enjoying substantial pretax profits in the United States](#)." Meanwhile, the Inflation Reduction Act's [increased funding](#) to the Internal Revenue Service (IRS) has already helped the agency collect "[\\$38 million in delinquent taxes from more than 175 high-income taxpayers in the past few months](#)."

Lastly, the Inflation Reduction Act required the federal government to begin negotiating the price of certain drugs covered under Medicare starting in 2026. The Congressional Budget Office has estimated the Inflation Reduction Act's drug pricing provisions will "[reduce the federal deficit by \\$237 billion over 10 years \(2022-2031\)](#)."

Despite these investments and provisions helping empower everyday Americans, an Accountable.US review highlights how various industry actors have fought tooth and nail to stop the Inflation Reduction Act, including lawsuits to block its key measures and millions spent so far this year lobbying on its implementation.

Medicare Drug Negotiations:

- In July 2023, The U.S. Chamber of Commerce [filed](#) a lawsuit on behalf of its pharmaceutical members seeking to block the implementation of the Inflation Reduction Act's Medicare drug price negotiation program. The Department of Justice [criticized](#) this effort as a disservice to the public's interest and an attempt to block Medicare negotiations after the industry's lobbying against it failed.
- This year, PhRMA, "[the pharmaceutical industry's largest lobbying group](#)," has spent at least \$830,000 lobbying on the implementation of the Inflation Reduction Act's drug pricing reforms, while also [filing](#) a lawsuit to block the legislation's Medicare drug negotiation provisions.
- In 2023, Eli Lilly, Merck & Co., and Pfizer, all represented on PhRMA's board of directors, have spent \$1.14 million combined lobbying on the implementation of the Inflation Reduction Act's drug pricing provisions.

Making Corporations Pay Their Fair Share:

- In 2023, the Global Business Alliance, which describes itself as the "[premier advocacy resource for international companies in the United States](#)," has spent at least \$770,000 while lobbying on the "[implementation of certain provisions in the Inflation Reduction Act including the new stock buyback](#)

[excise tax and corporate AMT provisions.](#)"

- In 2023, the Securities Industry and Financial Markets Association (SIFMA), the "[leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets,](#)" has spent at least \$200,000 hiring firms to lobby on the "[implementation of the Inflation Reduction Act.](#)"
- In 2023, investment giant Blackstone, the "[world's largest alternative asset manager, with \\$1 trillion in \[assets under management\],](#)" has spent at least \$190,000 this year while lobbying on "[implementation of the Inflation Reduction Act.](#)"

Oil & Gas Reform and Clean Energy Investments:

- The American Petroleum Institute (API) and the American Exploration and Production Council (AXPC), which both signed on to an [August 2022 letter in opposition to the Inflation Reduction Act,](#) have spent over \$470,000 combined lobbying on its implementation in 2023. The Inflation Reduction Act provided "[nearly \\$400 billion in federal funding to clean energy](#)" and limited the oil industry's profit from public resources by raising onshore and offshore lease rates on publicly-owned land and ending the "[practice of noncompetitive leasing.](#)"

Since Its Enactment A Year Ago, The Inflation Reduction Act Has Led To Over \$400 Billion In Clean Energy And Electric Vehicle Technology Investments And \$38 Million In Delinquent Taxes Collected From Over 175 High-Income Taxpayers—While Its 15% Corporate Minimum Tax And 1% Stock Buyback Excise Tax Are Expected To "Reduce The Federal Deficit By An Estimated \$300 Billion Over The Next Decade."

August 16, 2023, Marks The One-Year Anniversary Of The Inflation Reduction Act's Signing.

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"The IRA, which will mark one year since its signing on Aug. 16, is a classic piece of D.C. lawmaking. It came about in a windy legislative process that began with a big campaign promise from Biden and ended with backroom deal-making on Capitol Hill. And it has an odd, misleading name with a funny acronym, to boot."
[Time, [08/11/23](#)]

Companies Have Invested Over \$270 Billion In U.S.-Based Clean Energy Projects And Over \$130 Billion On Electric Vehicle Technologies Since Enactment Of The Inflation Reduction Act, Which Included "Nearly \$400 Billion In Federal Funding To Clean Energy, With The Goal Of Substantially Lowering The Nation's Carbon Emissions By The End Of This Decade."

The Inflation Reduction Act Provided "Nearly \$400 Billion In Federal Funding To Clean Energy, With The Goal Of Substantially Lowering The Nation's Carbon Emissions By The End Of This Decade."

"The IRA directs nearly \$400 billion in federal funding to clean energy, with the goal of substantially lowering the nation's carbon emissions by the end of this decade. The funds will be delivered through a mix of tax incentives, grants, and loan guarantees. Clean electricity and transmission command the biggest slice, followed by clean transportation, including electric-vehicle (EV) incentives." [McKinsey & Company, [10/24/22](#)]

Since The Inflation Reduction Act Was Signed Into Law, "Companies Have Invested More Than \$270 Billion In U.S.-Based Clean Energy Projects" And Over \$130 Billion On Electric Vehicle Technologies.

"Companies have invested more than \$270 billion in U.S.-based clean energy projects—think wind, solar, and battery—since the IRA became law, according to a report from the American Clean Power Association released earlier this week. Electric vehicle technology investment has totalled more than \$130 billion, according to White House data. And the private sector is expected to spend trillions more to take advantage of the incentives in the law over the next decade." [Time, [08/11/23](#)]

Over The Past Few Months, The IRS Has Collected "\$38 Million In Delinquent Taxes From More Than 175 High-Income Taxpayers" Thanks To The Inflation Reduction Act's \$80 Billion In IRS Funding.

July 2023: CBS News Reported That The IRS Had "Collected \$38 Million In Delinquent Taxes From More Than 175 High-Income Taxpayers In The Past Few Months." "The IRS is showcasing its new capability to aggressively audit high-income tax dodgers as it makes the case for sustained funding and tries to avert budget cuts sought by Republicans who want to gut the agency. IRS leaders said they collected \$38 million in delinquent taxes from more than 175 high-income taxpayers in the past few months." [CBS News, [07/14/23](#)]

IRS Commissioner Daniel Werfel Credited The Inflation Reduction Act's \$80 Billion In IRS Funding For Its Ability To Track Down More Delinquent Taxes, Despite Recent Republican Efforts To Claw Back This Enhanced Funding. "Werfel, in a call with reporters on Thursday, also cited the federal tax collector's enhanced ability to identify tax delinquents from resources provided by the Inflation Reduction Act. The agency was in line for an \$80 billion infusion under the law but that money is vulnerable to potential cutbacks. House Republicans built a \$1.4 billion reduction to the IRS into the debt ceiling and budget cuts package passed by Congress this summer. The White House said the debt deal also has a separate agreement to take \$20 billion from the IRS over the next two years and divert that money to other non-defense programs." [CBS News, [07/14/23](#)]

The Inflation Reduction Act's 15% Corporate Minimum Tax And 1% Stock Buyback Excise Tax Are Expected To "Reduce The Federal Deficit By An Estimated \$300 Billion Over The Next Decade."

The Inflation Reduction Act Included A 1% Excise Tax On Stock Buybacks Of Publicly-Traded U.S. Corporations And Certain Subsidiaries Of Non-U.S. Publicly-Traded Corporations. "The provision imposes a 1% excise tax on publicly traded U.S. corporations (and certain U.S. subsidiaries of publicly traded non-U.S. corporations) for the value of any stock that is repurchased during the taxable year by the corporation or 'specified affiliates' in which the corporation owns a 50% or greater equity interest." [Skadden, [08/07/22](#)]

- **The IRA's Stock Buyback Tax Also Applies To "Any Other 'Economically Similar' Transaction, As Determined By The Secretary Of The Treasury."** "A 'repurchase' includes a 'redemption' as defined under the U.S. tax code (generally, any acquisition of stock by the corporation in exchange for cash or property other than the corporation's own stock or stock rights) and any other 'economically similar' transaction, as determined by the secretary of the Treasury." [Skadden, [08/07/22](#)]

The Inflation Reduction Act (IRA) Also Set A 15% Corporate Minimum Tax For Companies With Profits Of More Than \$1 Billion. "It sets a 15% corporate minimum tax rate for companies whose profits exceed \$1 billion, among other measures. [...] The corporate alternative minimum tax (Corporate AMT) would apply to large corporations — generally those with financial statement income exceeding \$1 billion, measured using a three-year average. At a high level, the AMT is designed to ensure that large corporations pay a minimum tax of 15% on their financial statement — or 'book' — income. The current corporate tax rate is 21%, but some companies have had effective tax rates below 15% in certain years." [Skadden, [08/07/22](#)]

- **The IRA's Corporate Minimum Tax Is Effective For Taxable Years Beginning After December 31, 2022.** "Effective Date: The Corporate AMT is effective for taxable years beginning after Dec. 31, 2022." [GreenbergTraurig, [08/17/22](#)]

The Inflation Reduction Act's Corporate Minimum Stock Buyback Excise Taxes Were Expected To "Reduce The Federal Deficit By An Estimated \$300 Billion Over The Next Decade." "Companies that make more than \$1 billion a year will now have to pay a minimum tax rate of 15% as well as 1% on stock buybacks. Those tax reforms, aimed mostly at the largest U.S. corporations like Google parent Alphabet, JPMorgan Chase and Facebook parent company Meta, will reduce the federal deficit by an estimated \$300 billion over the next decade." [CNBC, [08/16/22](#)]

The Inflation Reduction Act Also Mandated The Federal Government Begin Negotiating The Price Of Certain Drugs Under Medicare, A Policy Estimated To "Reduce The Federal Deficit By \$237 Billion Over 10 Years (2022-2031)."

The Inflation Reduction Act Also Included Provisions Requiring The Federal Government To Negotiate Certain Drug Prices Under Medicare Starting In 2026, A Policy Estimated To "Reduce The Federal Deficit By \$237 Billion Over 10 Years (2022-2031)."

The Inflation Reduction Act Included Provisions Requiring The Federal Government To Negotiate The Price Of Certain Drugs Covered Under Medicare Part B And Part D Starting In 2026, A Policy The Congressional Budget Office (CBO) Has Estimated Will "Reduce The Federal Deficit By \$237 Billion Over 10 Years (2022-2031)." "The Inflation Reduction Act of 2022, signed into law by President Biden on August 16, 2022, includes several provisions to lower prescription drug costs for people with Medicare and reduce drug spending by the federal government. This legislation has taken shape amidst strong bipartisan, public support for the government to address high and rising drug prices. CBO estimates that the drug pricing provisions in the law will reduce the federal deficit by \$237 billion over 10 years (2022-2031). The prescription drug provisions included in the Inflation Reduction Act will: [...] Require the federal government to negotiate prices for some drugs covered under Medicare Part B and Part D with the highest total spending, beginning in 2026" [Kaiser Family Foundation, [01/24/23](#)]

In July 2023, The U.S. Chamber of Commerce Filed A Lawsuit On Behalf Of Its Pharmaceutical Members To Block Implementation Of The Inflation Reduction Act's Medicare Drug Price Negotiation Program—The Department Of Justice Criticized This Effort As A Disservice To The Public's Interest And An Attempt To Block Medicare Negotiations After The Industry's Lobbying Against It Failed.

In July 2023, The U.S. Chamber of Commerce Filed A Lawsuit Seeking to Block "Implementation Of The Medicare Drug Price Negotiation Program Established By The Inflation Reduction Act" On Behalf Of Its Pharmaceutical Members And Following Similar Lawsuits From The Drug Industry.

July 2023: The U.S. Chamber Of Commerce Filed A Motion For A "Preliminary Injunction To Block The Implementation Of The Medicare Drug Price Negotiation Program Established By The Inflation Reduction Act," Following Several Similar Lawsuits From The Pharmaceutical Industry. "The U.S. Chamber of Commerce, one of the largest lobbying groups in the country, filed a motion Wednesday for a

preliminary injunction to block the implementation of the Medicare Drug Price Negotiation program established by the Inflation Reduction Act (IRA), which is currently facing an onslaught of legal challenges. The Chamber filed a lawsuit challenging the constitutionality of the program last month, claiming it violated the First, Fifth and Eighth Amendments. This suit was one of several filed by those within the drug industry, including the trade group PhRMA, Merck & Co. and Bristol Myers Squibb." [The Hill, [07/12/23](#)]

The Chamber Noted It Was "Suing On Behalf Of Its Members That Are In The Industry" That Would "Irreparably Harmed' Without An Injunction." "While the Chamber itself is not a drugmaker, it is suing on behalf of its members that are in the industry. In its memorandum filed Tuesday, the group said its members would be 'irreparably harmed' without an injunction." [The Hill, [07/12/23](#)]

Andrew Varcoe, Deputy Chief Counsel At The U.S. Chamber Litigation Center Said The Group Was "Seeking Timely Relief Before The Government Can Further Implement Its Illegal And Arbitrary Price Control Scheme" That Was "Already Causing Irreparable Harm To Plaintiffs' Members." "We're seeking timely relief before the government can further implement its illegal and arbitrary price control scheme. If allowed to go into effect, the scheme would harm not only U.S. businesses but U.S. patients — limiting access to medicine, deterring needed investment, and stifling innovation,' Andrew Varcoe, deputy chief counsel at the U.S. Chamber Litigation Center, said in a statement. 'The IRA is already causing irreparable harm to Plaintiffs' members because it is causing them, and will continue to cause them, to suffer unrecoverable economic losses,' the Chamber stated." [The Hill, [07/12/23](#)]

The Department Of Justice Criticized The Chamber's Lawsuit As A Disservice To The Public's Interest And An Attempt To Block Medicare Negotiations After The Industry's Lobbying Against It Failed.

August 2023: The Department Of Justice Filed A Motion Pushing Back Against The Chamber, Stating Its Efforts To Block Medicare Drug Negotiations Were A Disservice To The Public's Interest As The Program "Achieves A Longstanding Goal Of Controlling Skyrocketing Medicare Spending And Making Drugs More Affordable For Seniors." "The DOJ pushed back, pointing out that companies won't feel the impact of the negotiated prices until at least 2026 and saying this case could be 'fully litigated' by that point. The department also argued pausing Medicare drug price negotiation would harm the public's interests. 'The public's interests would be gravely disserved by acceding to Plaintiffs' premature efforts to take down the entirety of the Negotiation Program — which achieves a longstanding goal of controlling skyrocketing Medicare spending and making drugs more affordable for seniors — before that program even begins,' the motion read." [The Hill, [08/14/23](#)]

The Department Of Justice Also Noted "Drug Manufacturers Lobbied Hard Against Legislative Efforts To Seat The Secretary At The Negotiating Table" And Were Now Filing Lawsuits To Block Medicare Negotiations After "Their Lobbying Failed." "The DOJ argued those suits 'should have an opportunity to proceed on their own schedules, without interference from this case.' The department added these recent lawsuits were an attempt to accomplish what lobbying could not. 'Drug manufacturers lobbied hard against legislative efforts to seat the Secretary at the negotiating table. And now that their lobbying failed, manufacturers and interest groups have run to court, filing multiple suits around the country challenging the statute on its face,' read the motion." [The Hill, [08/14/23](#)]

So Far In 2023, PhRMA, "The Pharmaceutical Industry's Largest Lobbying Group," Has Spent At Least \$830,000 Lobbying On The Implementation Of The Inflation Reduction Act's Drug Pricing Reforms, While Also Filing A Lawsuit To Block The Legislation's Medicare Drug Negotiation Provisions.

In June 2023, PhRMA, "The Pharmaceutical Industry's Largest Lobbying Group," Filed A Lawsuit Challenging The Inflation Reduction Act's Medicare Drug Negotiation Provisions, With Its President and CEO Criticizing Them As "Bad Policy That Threatens Continued Research And Development And Patients' Access To Medicines" While "Hand[ing] The Executive Branch Unfettered Discretion To Set The Price Of Medicines In Medicare."

June 2023: PhRMA, "The Pharmaceutical Industry's Largest Lobbying Group," Alongside The National Infusion Center Association (NICA) And The Global Colon Cancer Association (GCCA), Announced It Had Filed A Lawsuit In The Western District Of Texas Challenging The Inflation Reduction Act's Medicare Drug Negotiation Provisions. "The pharmaceutical industry's largest lobbying group on Wednesday filed a lawsuit challenging provisions in the Biden administration's Inflation Reduction Act that will allow Medicare to start negotiating prices for certain drugs. The lawsuit from the Pharmaceutical Research and Manufacturers of America (PhRMA) argues the law's signature provision about Medicare negotiation is unconstitutional. PhRMA joined with the National Infusion Center Association (NICA) and the Global Colon Cancer Association (GCCA) to file the suit in the U.S. District Court for the Western District of Texas." [The Hill, [06/21/23](#)]

In A Statement Announcing The Lawsuit, PhRMA President And CEO Stephen Ubi Called Medicare Drug Negotiation A "Bad Policy That Threatens Continued Research And Development And Patients' Access To Medicines," "Violates The U.S. Constitution Because It Includes Barriers To Transparency And Accountability," And "Hands The Executive Branch Unfettered Discretion To Set The Price Of Medicines In Medicare":

PhRMA President and CEO Stephen J. Ubi stated:

"The price setting scheme in the Inflation Reduction Act is bad policy that threatens continued research and development and patients' access to medicines. It also violates the U.S. Constitution because it includes barriers to transparency and accountability, hands the executive branch unfettered discretion to set the price of medicines in Medicare and relies on an absurd enforcement mechanism to force compliance. We hope the court recognizes the serious concerns raised and declares the price setting provisions unconstitutional."

[PhRMA, [06/21/23](#)]

PhRMA Has Spent At Least \$830,000 In 2023 Specifically Lobbying Or Monitoring The Implementation Of The Inflation Reduction Act, Including Its Provisions Related To "Prescription Drug Value" And "Drug Pricing."

So Far In 2023, PhRMA Has Spent At Least \$830,000 Hiring Firms To Lobby Or Monitor The Implementation Of The Inflation Reduction Act, Including Its Provisions Related To "Prescription Drug Value" And "Drug Pricing."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
Capitol Counsel LLC	PhRMA	Q1 2023	Monitor implementation of the 340B Prescription Drug Discount Program; H.R.5376 the Inflation Reduction Act of 2022 (P.L. No: 117-169).	\$80,000.00
Crossroads Strategies, LLC	PhRMA	Q1 2023	H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169) implementation	\$60,000.00

Marshall & Popp, LLC	PhRMA	Q1 2023	Issues related to prescription drug value, including implementation of the Inflation Reduction Act (PL 117-169).	\$40,000.00
Ogilvy Government Relations	PhRMA	Q1 2023	Implementation of H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169).	\$50,000.00
The Simmons & Russell Group, LLC	PhRMA	Q1 2023	Monitoring healthcare and drug pricing discussions related to implementation of the Inflation Reduction Act of 2022, H.R.5376, P.L.117-169.	\$50,000.00
Tiber Creek Health Strategies, Inc.	PhRMA	Q1 2023	Issues related to implementation of drug pricing and reimbursement for prescription drugs in Inflation Reduction Act of 2022 (PL 117-169).	\$50,000.00
W Strategies, LLC	PhRMA	Q1 2023	Implementation of H.R.5376 Inflation Reduction Act.	\$60,000.00
Capitol Counsel LLC	PhRMA	Q2 2023	Monitor implementation of the 340B Prescription Drug Discount Program; H.R.5376 the Inflation Reduction Act of 2022 (P.L. No: 117-169).	\$80,000.00
Crossroads Strategies, LLC	PhRMA	Q2 2023	H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169) implementation	\$60,000.00
Marshall & Popp, LLC	PhRMA	Q2 2023	Issues related to prescription drug value, including implementation of the Inflation Reduction Act (PL 117-169)	\$40,000.00
Ogilvy Government Relations	PhRMA	Q2 2023	Implementation of H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169).	\$50,000.00
The McManus Group	PhRMA	Q2 2023	Implementation of provisions included in Subtitle B of PL. 117-169 - Inflation Reduction Act of 2022.	\$50,000.00

The Simmons & Russell Group, LLC	PhRMA	Q2 2023	Monitoring healthcare and drug pricing discussions related to implementation of the Inflation Reduction Act of 2022, H.R.5376, P.L.117-169.	\$50,000.00
Tiber Creek Health Strategies, Inc.	PhRMA	Q2 2023	Issues related to implementation of drug pricing and reimbursement for prescription drugs in Inflation Reduction Act of 2022 (PL 117-169).	\$50,000.00
W Strategies, LLC	PhRMA	Q2 2023	Implementation of H.R.5376 Inflation Reduction Act.	\$60,000.00
TOTAL: \$830,000				

In 2023, Eli Lilly, Merck & Co., And Pfizer, All Represented On PhRMA's Board Of Directors, Have Spent \$1.14 Million Combined Lobbying On Implementation Of The Inflation Reduction Act's Drug Pricing Provisions.

Eli Lilly, Represented On PhRMA's Board By Its Chairman And CEO David Ricks, Has Spent At Least \$280,000 This Year Lobbying Or Monitoring The Implementation Of The Inflation Reduction Act's Provisions On "Drug Pricing And Reimbursement For Prescription Drugs."

Eli Lilly Chairman And CEO David Ricks Sits On PhRMA's Board Of Directors And Is A Former Board Chair. "Dave serves on the board of directors for Adobe and Business Roundtable. In addition, he is a member of the board and former board chair of Pharmaceutical Research and Manufacturers of America."
[Eli Lilly, accessed [06/29/23](#)]

- **David Ricks Served As Chairman of the PhRMA Board of Directors From December 2020 To February 2022.** [PhRMA, [12/09/20](#); PhRMA, [02/09/22](#)]

So Far In 2023, Eli Lilly Has Spent At Least \$280,000 Hiring Firms To Lobby Or Monitor The Implementation Of The Inflation Reduction Act, Including Its Provisions Related To "Drug Pricing And Reimbursement For Prescription Drugs."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
The Simmons & Russell Group, LLC	Eli Lilly And Company	Q1 2023	Monitoring implementation of the Inflation Reduction Act of 2022, H.R.5376, P.L.117-169.	\$60,000.00

Tiber Creek Health Strategies, Inc.	Eli Lilly And Company	Q1 2023	Issues related to implementation of drug pricing and reimbursement for prescription drugs in Inflation Reduction Act of 2022 (PL 117-169).	\$80,000.00
The Simmons & Russell Group, LLC	Eli Lilly And Company	Q2 2023	Monitoring implementation of the Inflation Reduction Act of 2022, H.R.5376, P.L.117-169.	\$60,000.00
Tiber Creek Health Strategies, Inc.	Eli Lilly And Company	Q2 2023	Issues related to implementation of drug pricing and reimbursement for prescription drugs in Inflation Reduction Act of 2022 (PL 117-169).	\$80,000.00
TOTAL: \$280,000				

Merck & Co., Represented on PhRMA's Board By Its President and CEO Robert Davis, Has Spent At Least \$380,000 This Year Lobbying On Implementation Of The Inflation Reduction Act's Provisions On "Drug Pricing And Reimbursement Of Prescription Drugs."

Current Merck Chief Executive Officer And President Robert M. Davis Is On The PhRMA Board Of Directors:



Robert M. Davis

Chief Executive Officer and
President
Merck & Co., Inc.

[PhRMA, accessed [06/29/23](#)]

So Far In 2023, Merck Has Spent At Least \$380,000 Hiring Firms To Lobby On The Implementation Of The Inflation Reduction Act, Including Its Provisions Related To "Drug Pricing And Reimbursement Of Prescription Drugs."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
Avenue Solutions	Merck & Co., Inc.	Q1 2023	Issues related to Inflation Reduction Act of 2022 (PL 117-169) implementation	\$50,000.00
Crossroads Strategies, LLC	Merck & Co., Inc.	Q1 2023	H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169) implementation	\$40,000.00

Tiber Creek Group	Merck & Co., Inc.	Q1 2023	Issues related to implementation of drug pricing and reimbursement of prescription drugs provision in The Inflation Reduction Act of 2022 (PL 117-169)	\$50,000.00
W Strategies, LLC	Merck & Co., Inc.	Q1 2023	Implementation of H.R.5376 - Inflation Reduction Act of 2022.	\$50,000.00
Avenue Solutions	Merck & Co., Inc.	Q2 2023	Issues related to Inflation Reduction Act of 2022 (PL 117-169) implementation	\$50,000.00
Crossroads Strategies, LLC	Merck & Co., Inc.	Q2 2023	H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169) implementation	\$40,000.00
Tiber Creek Group	Merck & Co., Inc.	Q2 2023	Issues related to implementation of drug pricing and reimbursement of prescription drugs provision in The Inflation Reduction Act of 2022 (PL 117-169)	\$50,000.00
W Strategies, LLC	Merck & Co., Inc.	Q2 2023	Implementation of H.R.5376 - Inflation Reduction Act of 2022.	\$50,000.00
TOTAL: \$380,000				

Pfizer, Whose Chairman & CEO Albert Bourla Serves As PhRMA's Treasurer And Called Plans To Negotiate Drug Prices A "Negotiation With A Gun To Your Head," Has Spent At Least \$480,000 This Year Lobbying On The "Implementation Of The Drug Pricing Provisions In The Inflation Reduction Act."

Current Pfizer Chairman And CEO Albert Bourla Is The Treasurer For PhRMA:



**Albert Bourla, DVM,
Ph.D**

Treasurer
Chairman & Chief Executive
Officer
Pfizer Inc.

[Pharmaceutical Research and Manufacturers of America, accessed [06/30/23](#)]

May 2023: Bourla Railed Against The Inflation Reduction Act Calling It "Price Setting" And A "Negotiation With A Gun To Your Head." "Pfizer Inc Chief Executive Albert Bourla called U.S. plans to negotiate drug prices for its Medicare health program 'negotiation with a gun to your head' and said he expects drugmakers to sue in an attempt to halt the process. 'It is not negotiation at all. It is price setting,' Bourla said at a Reuters newsmaker event on Thursday, referring to the Biden Administration's signature drug pricing reform, part of the Inflation Reduction Act (IRA). The law aims to save \$25 billion through price negotiations by 2031 for Americans who pay more for medicines than any other country." [Reuters, [05/12/23](#)]

So Far In 2023, Pfizer Has Spent At Least \$480,000 Hiring Firms To Lobby On The "Implementation Of The Drug Pricing Provisions In The Inflation Reduction Act."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
Federal Health Policy Strategies	Pfizer, Inc.	Q1 2023	Implementation of the drug pricing provisions in the Inflation Reduction Act	\$60,000.00
Marshall & Popp, LLC	Pfizer, Inc.	Q1 2023	Issues related to prescription drug value, including implementation of the Inflation Reduction Act (PL 117-169).	\$60,000.00
Ogilvy Government Relations	Pfizer, Inc.	Q1 2023	Issues related to drug pricing; implementation of H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169).	\$60,000.00
Subject Matter	Pfizer, Inc.	Q1 2023	Implementation of the Inflation Reduction Act (Public Law 117-169)	\$60,000.00
Federal Health Policy Strategies	Pfizer, Inc.	Q2 2023	Implementation of the drug pricing provisions in the Inflation Reduction Act	\$60,000.00
Marshall & Popp, LLC	Pfizer, Inc.	Q2 2023	Issues related to prescription drug value, including implementation of the Inflation Reduction Act (PL 117-169).	\$60,000.00
Ogilvy Government Relations	Pfizer, Inc.	Q2 2023	Issues related to drug pricing; implementation of H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169).	\$60,000.00
Subject Matter	Pfizer, Inc.	Q2 2023	Implementation of the Inflation Reduction Act (Public Law 117-169)	\$60,000.00
TOTAL: \$480,000				

Financial Giants Such as Blackstone, And Trade Groups Representing The Country's Largest International Firms And Investment Companies, Have Spent \$1.16 Million In 2023 Lobbying Against The Inflation Reduction Act's Implementation Of A 15% Corporate Minimum Tax And 1% Stock Buyback Excise Tax.

The Inflation Reduction Act's 15% Corporate Minimum Tax And 1% Stock Buyback Excise Tax Are Expected To "Reduce The Federal Deficit By An Estimated \$300 Billion Over The Next Decade."

The Inflation Reduction Act Included A 1% Excise Tax On Stock Buybacks Of Publicly-Traded U.S. Corporations And Certain Subsidiaries Of Non-U.S. Publicly-Traded Corporations. "The provision imposes a 1% excise tax on publicly traded U.S. corporations (and certain U.S. subsidiaries of publicly traded non-U.S. corporations) for the value of any stock that is repurchased during the taxable year by the corporation or 'specified affiliates' in which the corporation owns a 50% or greater equity interest." [Skadden, [08/07/22](#)]

- **The IRA's Stock Buyback Tax Also Applies To "Any Other 'Economically Similar' Transaction, As Determined By The Secretary Of The Treasury."** "A 'repurchase' includes a 'redemption' as defined under the U.S. tax code (generally, any acquisition of stock by the corporation in exchange for cash or

property other than the corporation's own stock or stock rights) and any other 'economically similar' transaction, as determined by the secretary of the Treasury." [Skadden, [08/07/22](#)]

- **The IRA's Stock Buyback Excise Tax Would Apply To Buybacks Occurring After December 31, 2022, Even If A Company's Buyback Program Had Been Authorized Prior To That Date.** "The Act revives a provision previously included in the BBBA that imposes an excise tax on certain 'repurchases' of stock by publicly traded U.S. corporations and certain of their affiliates, disadvantaging U.S.-parented public corporations vis-a-vis their foreign competitors. The provision included in the Act is substantively identical to the repurchase excise tax provision previously included in the BBBA. Under the Act, the excise tax would apply to repurchases occurring after December 31, 2022, irrespective of when the repurchase program was authorized." [Skadden, [08/07/22](#)]

The Inflation Reduction Act (IRA) Set A 15% Corporate Minimum Tax For Companies With Profits Of More Than \$1 Billion. "It sets a 15% corporate minimum tax rate for companies whose profits exceed \$1 billion, among other measures. [...] The corporate alternative minimum tax (Corporate AMT) would apply to large corporations — generally those with financial statement income exceeding \$1 billion, measured using a three-year average. At a high level, the AMT is designed to ensure that large corporations pay a minimum tax of 15% on their financial statement — or 'book' — income. The current corporate tax rate is 21%, but some companies have had effective tax rates below 15% in certain years." [Skadden, [08/07/22](#)]

- **The IRA's Corporate Minimum Tax Is Effective For Taxable Years Beginning After December 31, 2022.** "Effective Date: The Corporate AMT is effective for taxable years beginning after Dec. 31, 2022." [GreenbergTraurig, [08/17/22](#)]

The Inflation Reduction Act's Corporate Minimum Stock Buyback Excise Taxes Are Expected To "Reduce The Federal Deficit By An Estimated \$300 Billion Over The Next Decade." "Companies that make more than \$1 billion a year will now have to pay a minimum tax rate of 15% as well as 1% on stock buybacks. Those tax reforms, aimed mostly at the largest U.S. corporations like Google parent Alphabet, JPMorgan Chase and Facebook parent company Meta, will reduce the federal deficit by an estimated \$300 billion over the next decade." [CNBC, [08/16/22](#)]

In 2023, The Global Business Alliance, Which Describes Itself As The "Premier Advocacy Resource For International Companies In The United States," Has Spent At Least \$770,000 While Lobbying On "Implementation Of Certain Provisions In The Inflation Reduction Act Including The New Stock Buyback Excise Tax And Corporate AMT Provisions."

The Global Business Alliance Describes Itself As The "Premier Advocacy Resource For International Companies In The United States" With A Membership Consisting Of "American Companies With Global Heritage." "As the premier advocacy resource for international companies in the United States, the Global Business Alliance (GBA), formerly known as the Organization for International Investment (OFII), actively promotes and defends an open economy that welcomes international companies to invest in America. Our members are American companies with global heritage and an indispensable part of our nation's economic success. When America is open for business, we all benefit." [Global Business Alliance, accessed [08/14/23](#)]

The Global Business Alliance Maintains Two Standing Committees Divided Into Various Working Groups, With Its Tax Standing Committee Having A "Stock Buyback Working Group" To "Address Treasury's Overly Broad Extraterritorial Interpretation Of Congress's Stock Buyback Tax Law." "The Global Business Alliance (GBA) has two standing committees largely divided by executive function. Within each, working groups help formulate positions and tactics on specific issues or advocacy campaigns as they arise. [...] Stock Buyback Working Group | Addressing Treasury's overly broad extraterritorial interpretation of Congress's Stock Buyback Tax law" [Global Business Alliance, accessed [08/14/23](#)]

So Far In 2023, The Global Business Alliance Has Spent At Least \$770,000 While Lobbying On "Implementation Of Certain Provisions In The Inflation Reduction Act Including The New Stock Buyback Excise Tax And Corporate AMT Provisions."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
Global Business Alliance	Global Business Alliance	Q1 2023	Issues related to guidance and implementation of certain provisions in the Inflation Reduction Act including the new stock buyback excise tax and corporate AMT provisions.	\$370,000.00
Global Business Alliance	Global Business Alliance	Q2 2023	Issues related to guidance and implementation of certain provisions in the Inflation Reduction Act including the new stock buyback excise tax and corporate AMT provisions.	\$400,000.00
TOTAL: \$770,000				

In 2023, The Securities Industry And Financial Markets Association (SIFMA), The "Leading Trade Association For Broker-Dealers, Investment Banks And Asset Managers Operating In The U.S. And Global Capital Markets," Has Spent At Least \$200,000 Hiring Firms To Lobby On "Tax Policy Impacting Investment Banks And Investment Products" And The "Implementation Of The Inflation Reduction Act."

The Securities Industry And Financial Markets Association (SIFMA) Describes Itself As The "Leading Trade Association For Broker-Dealers, Investment Banks And Asset Managers Operating In The U.S. And Global Capital Markets," Advocating For "Legislation, Regulation And Business Policy Affecting Retail And Institutional Investors, Equity And Fixed Income Markets And Related Products And Services." "SIFMA is the leading trade association for broker-dealers, investment banks and asset managers operating in the U.S. and global capital markets. On behalf of our industry's one million employees, we advocate on legislation, regulation and business policy affecting retail and institutional investors, equity and fixed income markets and related products and services." [SIFMA, accessed [08/14/23](#)]

So Far In 2023, SIFMA Has Spent At Least \$200,000 Hiring Firms To Lobby On The "Implementation Of The Inflation Reduction Act."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
Crossroads Strategies, LLC	Securities Industry And Financial Markets Association (SIFMA)	Q1 2023	Tax policy impacting investment banks and investment products; incentives to encourage retirement savings; municipal bond issues; corporate and international tax issues; H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169) implementation.	\$50,000.00
Subject Matter	Securities Industry And Financial Markets	Q1 2023	Implementation of the Inflation Reduction Act (Public Law	\$50,000.00

	Association (SIFMA)		117-169)	
Crossroads Strategies, LLC	Securities Industry And Financial Markets Association (SIFMA)	Q2 2023	Inflation Reduction Act of 2022 (P.L.117-169) implementation	\$50,000.00
Subject Matter	Securities Industry And Financial Markets Association (SIFMA)	Q2 2023	Implementation of the Inflation Reduction Act (Public Law 117-169)	\$50,000.00
TOTAL: \$200,000				

In 2023, Investment Giant Blackstone, The "World's Largest Alternative Asset Manager, With \$1 Trillion In [Assets Under Management]," Has Spent At Least \$190,000 While Lobbying On "Implementation Of The Inflation Reduction Act."

Blackstone Describes Itself As The "World's Largest Alternative Asset Manager, With \$1 Trillion In [Assets Under Management]." "Blackstone is the world's largest alternative asset manager, with \$1 trillion in AUM. We serve institutional and individual investors by building strong businesses that deliver lasting value. Our scale – with more than 12,600 real estate assets and 230+ portfolio companies – enables us to invest in dynamic sectors positioned for long-term growth." [Blackstone, accessed [08/14/23](#)]

So Far In 2023, Blackstone And Its Subsidiaries Have Spent At Least \$190,000 While Lobbying On "Implementation of the Inflation Reduction Act."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
National Group, LLP	Blackstone Administrative Services Partnership L.P.	Q1 2023	Inflation Reduction Act Implementation	\$40,000.00
Subject Matter	The Blackstone Group	Q1 2023	Implementation of the Inflation Reduction Act (Public Law 117-169)	\$60,000.00
National Group, LLP	Blackstone Administrative Services Partnership L.P.	Q2 2023	Inflation Reduction Act Implementation	\$30,000.00
Subject Matter	The Blackstone Group	Q2 2023	Implementation of the Inflation Reduction Act (Public Law 117-169)	\$60,000.00
TOTAL: \$190,000				

- **Blackstone Administrative Services Partnership L.P. Is A Subsidiary Of Blackstone.** [Blackstone Group 2023 Form 10-K, [02/24/23](#)]

The American Petroleum Institute (API) And The American Exploration And Production Council (AXPC), Which Both Signed On To An August 2022 Letter In Opposition Of The Inflation Reduction Act, Have Spent At Least \$470,000 Lobbying On Its Implementation In 2023—The Inflation Reduction Act Provided "Nearly \$400 Billion In Federal Funding To Clean Energy" And Limited The Oil Industry's Profit From Public Resources By Raising Onshore And Offshore Lease Rates On Publicly-Owned Land And Ending The "Practice Of Noncompetitive Leasing."

The Inflation Reduction Act Provided "Nearly \$400 Billion In Federal Funding To Clean Energy, With The Goal Of Substantially Lowering The Nation's Carbon Emissions By The End Of This Decade."

The Inflation Reduction Act Provided "Nearly \$400 Billion In Federal Funding To Clean Energy, With The Goal Of Substantially Lowering The Nation's Carbon Emissions By The End Of This Decade."
"The IRA directs nearly \$400 billion in federal funding to clean energy, with the goal of substantially lowering the nation's carbon emissions by the end of this decade. The funds will be delivered through a mix of tax incentives, grants, and loan guarantees. Clean electricity and transmission command the biggest slice, followed by clean transportation, including electric-vehicle (EV) incentives." [McKinsey & Company, [10/24/22](#)]

The Legislation Also Limited The Oil Industry's Profit From Public Resources By Raising Onshore And Offshore Lease Rates On Publicly-Owned Land And Ending The "Practice Of Noncompetitive Leasing, Which In The Past Ha[d] Allowed The Department Of The Interior To Sell Leases On Tracts Of Land Below Predicted Market Price."

The Inflation Reduction Act Ensured Taxpayers Received A Better Return On The Oil Industry's Use Of Public Lands By Raising The Onshore Oil & Gas Royalty Rate From 12.5% To 16.67%, The First Increase In Decades. "The IRA raises the onshore oil and gas royalty rate for the first time in decades, ensuring that taxpayers get a better return for industry's use of publicly owned lands than they have since 1920. Specifically, it raises the rate from the current 12.5% to 16.67%, and will sustain that rate for 10 years after the enactment of the bill. This increase will be particularly beneficial to western states and tribal nations because approximately half of the royalties collected by the federal government are returned to the area where the extraction occurs." [Project On Government Oversight, [09/02/22](#)]

The Inflation Reduction Act Also "Raise[d] The Oil And Gas Royalty Rate For Certain Offshore Leases From The Current 12.5% To 16.67%, Capping Them At 18.75% For 10 Years After The Enactment Of The Bill." "The IRA also raises the oil and gas royalty rate for certain offshore leases from the current 12.5% to 16.67%, capping them at 18.75% for 10 years after the enactment of the bill. The 18.75% cap is commensurate with the minimum offshore royalty rate for leases in water depth exceeding 200 meters. Similar to the increase in onshore oil and gas royalty rates, this provision in the IRA will go far in honoring the federal government's fiduciary obligation to taxpayers to ensure a fair market value for natural resources." [Project On Government Oversight, [09/02/22](#)]

The Inflation Reduction Act Also Worked To End The "Practice Of Noncompetitive Leasing, Which In The Past Ha[d] Allowed The Department Of The Interior To Sell Leases On Tracts Of Land Below Predicted Market Price." "The IRA also puts a stop to the practice of noncompetitive leasing, which in the past has allowed the Department of the Interior to sell leases on tracts of land below predicted market price. Ending this wasteful practice will ensure that the federal government is better able to secure the appropriate

amount of money for oil and gas companies' extraction, rather than continuing to give industry a sweetheart deal at the expense of taxpayers' best interests." [Project On Government Oversight, [09/02/22](#)]

So Far In 2023, The American Petroleum Institute (API) And The American Exploration And Production Council (AXPC)—Who Both Signed On To An August 2022 Industry Letter Opposing The Inflation Reduction Act—Have Spent Over \$470,000 Combined Lobbying On Its Implementation And Related Energy Issues.

August 2022: The American Petroleum Institute (API) And The American Exploration And Production Council (AXPC) Signed Onto A Letter "Nearly 60 Other Trade Groups Representing America's Natural Gas And Oil Industry In Opposing The Inflation Reduction Act (IRA) As Passed By The Senate," Stating Its Provisions Were "The Wrong Policies At The Wrong Time." "The American Petroleum Institute (API) today joined with nearly 60 other trade groups representing America's natural gas and oil industry in opposing the Inflation Reduction Act (IRA) as passed by the Senate. In a letter to House Speaker Nancy Pelosi and Minority Leader Kevin McCarthy, the organizations outlined problematic provisions, including punitive new taxes and regulatory red tape that undermine the industry's ability to promote energy security for the American consumer. 'We share the goal of addressing climate change, as evidenced in the policies we support and in the actions that we take every day,' the letter states. 'However, the considerable tax increases and new government spending in the IRA amount to the wrong policies at the wrong time.'" [American Petroleum Institute, [08/11/22](#)]

In 2023, The American Petroleum Institute Has Spent At Least \$340,000 In Payments To Firms Lobbying On "Inflation Reduction Act Of 2022 Implementation."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
Brownstein Hyatt Farber Schreck, LLP	American Petroleum Institute	Q1 2023	Energy tax issues Corporate tax issues Inflation Reduction Act of 2022 Implementation	\$90,000.00
Ogilvy Government Relations	American Petroleum Institute	Q1 2023	Discussions related to corporate taxation including energy related tax provisions; implementation of H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169).	\$80,000.00
Brownstein Hyatt Farber Schreck, LLP	American Petroleum Institute	Q2 2023	Inflation Reduction Act of 2022 Implementation	\$90,000.00
Ogilvy Government Relations	American Petroleum Institute	Q2 2023	Discussions related to corporate taxation including energy related tax provisions; implementation of H.R.5376, Inflation Reduction Act of 2022 (P.L.117-169).	\$80,000.00
Total:				\$340,000

In 2023, The American Exploration And Production Council Has Spent At Least \$131,000 Lobbying On "Inflation Reduction Act Of 2022 Implementation."

Registrant	Client	Lobbying Report	Relevant Lobbying	Amount Spent
<u>American Exploration And Production Council</u>	American Exploration And Production Council	Q1 2023	Implementation of H.R. 5376 Inflation Reduction Act of 2022	\$36,000.00
<u>American Exploration And Production Council</u>	American Exploration And Production Council	Q2 2023	Implementation of H.R. 5376 Inflation Reduction Act of 2022	\$95,000.00
Total:				\$131,000