

# Critics Aren't Buying Biden's Pledge That Americans Earning Under \$400,000 Won't Pay a 'Penny More' in Taxes



President [Joe Biden](#) said after signing the [Inflation Reduction Act](#) that no Americans making under \$400,000 per year will pay more [taxes](#) despite the bill giving the IRS a massive cash injection for enforcement, prompting a flurry of criticism arguing that Biden's pledge holds no water and that the tax agency will squeeze middle-income households harder.

Biden said at an Aug. 16 signing ceremony at the White House that the bill will be one of the "most significant laws in our history" and that

households earning less than \$400,000 per year will “not pay a penny more” in federal taxes.

But skepticism runs deep regarding Biden’s claim, especially among Republicans.

“Today, amidst record inflation and after entering a recession, Joe Biden signed a bill which: continues reckless spending, raises your taxes, expands IRS audits, fails to tackle inflation,” Rep. Nancy Mace (R-S.C.) said in a statement, adding that “Biden pinky promises” the Inflation Reduction Act won’t have any of the impacts she listed, adding, “but who still believes his PR spin?”

## **‘Higher Taxes, Higher Energy Bills, Aggressive IRS Audits’**

Democrats argued during a debate last week on the House floor that the Inflation Reduction Act would bring much-needed relief for soaring prices by lowering costs for American households.

Later, following passage of the bill, Senate Majority Leader Chuck Schumer (D-N.Y.) [said in a statement](#) that “Democrats got it done!” and “showed we can deliver real change that matters to everyday Americans.”

Schumer argued that the measure “will lower costs for middle-class families, close tax loopholes for the rich and big corporations, take the most significant action ever to fight the climate crisis, and create good-paying jobs.”

Republicans, none of whom supported the reportedly \$740 billion bill, have panned the measure as inflationary.

“Democrats robbed Americans last year by spending our economy into record inflation. This year, their solution is to do it a second time. The partisan bill President Biden signed into law today means higher taxes, higher energy bills, and aggressive IRS audits,” Senate Minority Leader Mitch McConnell (R-Ky.) said in a statement reacting to Biden signing the measure into law.

Critics have also sounded the alarm over the bill’s provisions that bolster the IRS with nearly \$46 billion in additional funding for enforcement, including for hiring more auditors. While the bill doesn’t have specific hiring targets, Republicans have speculated that the money would be used to hire tens of thousands of IRS agents while arguing that their enforcement efforts would target ordinary Americans.

“Today, Biden signed a bill to raise taxes during a recession and unleash 87,000 new IRS agents to audit more Americans like you,” said Chad Gilmartin, deputy spokesman for House Minority Leader Kevin McCarthy (R-Calif.), in a statement.

McCarthy earlier expressed a similar view, saying in a statement that, “Democrats in Washington plan to hire an army of 87,000 IRS agents” who would go after middle- and lower-income Americans.

A Treasury Department report from May 2021 ([pdf](#)) estimated that an investment roughly the size of the one in the Inflation Reduction Act would enable the IRS to hire around 87,000 employees in a range of posts by 2031.

## **Yellen Vows No Increase in Audit Rates**

Despite the flurry of critical claims that the Democrat-backed inflation bill will hit Americans earning less than \$400,000 per year with more

IRS audits, Biden administration officials insist this is not the case.

Treasury Secretary Janet Yellen [recently insisted](#) Republican claims that tax auditors will target lower- and middle-income Americans at higher rates were politically motivated falsehoods.

"I direct that any additional resources—including any new personnel or auditors that are hired—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," Yellen said in an [Aug. 10 letter](#) to IRS Commissioner Charles Rettig.

"This means that, contrary to the misinformation from opponents of this legislation, small business or households earning \$400,000 per year or less will not see an increase in the chances that they are audited," Yellen added.

Separately, a Treasury Department official told Time in a [recent interview](#) that the IRS funding boost would cover hiring for a wide range of positions, including IT technicians and taxpayer support staff, as well as specialized auditors who would focus on tax evasion by corporations and high-income earners.

"It is wholly inaccurate to describe any of these resources as being about increasing audit scrutiny of the middle class or small businesses," Natasha Sarin, a counselor for tax policy and implementation at the Treasury Department, told the outlet.

## **'Almost Certain' More Audits Are Coming for Middle America**

But despite Yellen's insistence that audit rates wouldn't jump for those

making less than \$400,000, Rachel Greszler, senior research fellow at the Grover M. Hermann Center, wrote in an op-ed for The Heritage Foundation that this likely isn't the case.

"Despite the Biden administration's claims, it's almost certain that households making less than \$400,000 a year would face increased audits under Democrats' bill," Greszler wrote.

"And despite estimates from official congressional scorekeepers that the Schumer-Manchin-Biden tax increase indeed would raise taxes on those Americans, the administration has doubled down on the claim," she added.

Meanwhile, Republicans on the House Ways and Means Committee [said they](#) have received information from the nonpartisan scorekeeper at the Congressional Budget Office (CBO) challenging the Biden administration's narrative that Americans making less than \$400,000 a year won't see higher IRS audit rates.

Committee Republicans said the CBO statement they were provided with confirms that, under the new bill, lower- and middle-income Americans will be squeezed harder by the IRS to the tune of at least \$20 billion.

"The Congressional Budget Office (CBO) confirms that had this amendment passed and lower- and middle-income taxpayers been protected, revenue in Democrats' bill would have been reduced by at least \$20 billion," Committee Republicans said.

This confirms that "at least \$20 billion of the \$124 billion in new revenue expected by a supercharged IRS will be coming from higher audits on low- and middle-income Americans" and that this would be

"in addition to existing audits on these income levels," Republicans said.

The CBO didn't respond to a request by The Epoch Times for confirmation of the scorekeeper's assessment and comment.



Tom Ozimek has a broad background in journalism, deposit insurance, marketing and communications, and adult education. The best writing advice he's ever heard is from Roy Peter Clark: 'Hit your target' and 'leave the best for last.'