

# United States Senate

WASHINGTON, DC 20510

July 28, 2022

Dr. Phillip Swagel  
Director, Congressional Budget Office  
Ford House Office Building  
D St. SW & 2nd St. SW  
Washington, D.C. 20515

Dear Director Swagel:

Last night, Congressional Democrats revealed an updated version of their so-called “Build Back Better” legislation.<sup>1</sup> This 725-page package that was written behind closed doors came as a shock to the American people, including even some Democratic Members of Congress. The Congressional Budget Office (CBO) has not yet published an estimate of this new bill’s impact on the deficit or on our economy.

The American people and Members of Congress deserve more information before moving forward with this reckless proposal to hike taxes and increase spending. I have several questions about the current fragile state of our nation’s economy and the potential impact of this latest reconciliation proposal:

1. As you know, the Commerce Department just reported that real gross domestic product (GDP) shrank for the second consecutive quarter this year. Are we currently in a recession?
2. Inflation in the United States is at a 40-year record high and is increasingly harming family and small business budgets. The updated legislation claims to address inflation. For the last two bills enacted via reconciliation, CBO has published estimates of the impact on near-term inflation. If enacted, what impact would this legislation have on consumer price inflation in calendar years 2022 and 2023?
3. What is the highest income level an individual and family of four can earn while still qualifying for the expanded Affordable Care Act subsidies in Subtitle C of the substitute amendment?
4. Section 10101 of the substitute amendment introduces a new 15 percent minimum tax on certain corporations’ adjusted financial statement income. What effect would such a tax have on business investment and GDP?

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<sup>1</sup> The revised reconciliation bill (ERN22335 9K1), an amendment in the nature of a substitute to H.R. 5376.

Time is of the essence in answering these important questions. I ask that you provide written answers to these inquiries as soon as possible, but no later than one day after transmittal of the CBO cost estimate for this legislation or 48 hours before the U.S. Senate considers the FY 2022 reconciliation measure, whichever comes first.

As you are well aware, I remain gravely concerned about inflation. Record high inflation is not just a number from a government agency. Inflation is about a deteriorating quality of life for everyday working people in South Carolina and across the United States. Inflation negatively impacts families struggling to buy gas, pay for food, and deal with the uncertainties of life. Every cost in the family budget is going up at an incredible rate. I fear this latest tax and spending proposal will only increase Americans' suffering.

If you have any questions regarding this request, please contact Nick Myers with the Senate Committee on the Budget. Thank you for your prompt attention to this matter.

Sincerely,



Lindsey Graham  
Ranking Member  
Senate Committee on the Budget