



12 January 2023

(23-0339)

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**Committee on Subsidies and
Countervailing Measures**

Original: English

SUBSIDIES

REPLIES TO QUESTIONS POSED BY CHINA¹ TO THE UNITED STATES PURSUANT TO ARTICLE 25.8 OF THE AGREEMENT

The following communication, dated and received on 11 January 2023, is being circulated at the request of the delegation of the United States.

The United States respectfully provides the following responses to China:

Question

The specific requirements under Sec. 13401 (a), (b)(1), (c)(1), (e)(1) and (e)(2) of the Inflation Reduction Act of 2022 could be implemented in a manner that is inconsistent with U.S. obligations under the GATT and the ASCM. What would the United States do to ensure its measures' consistency with its obligations?

Reply:

The complete text of the Inflation Reduction Act of 2022 ("the Act") is available online at the following address: <https://www.govinfo.gov/content/pkg/BILLS-117hr5376enr/pdf/BILLS-117hr5376enr.pdf>. With respect to the provisions of Section 13401 of the Act that China has identified, the United States Department of the Treasury (Treasury) and the Internal Revenue Service (IRS) plan to issue implementing guidance, which may include regulations. On October 5, 2022, Treasury and the IRS issued a public notice seeking initial input from the public concerning Section 13401. Comments were requested by 4 November 2022, but later comments may be accepted and considered as practicable. The public docket is available online at the following address: <https://www.regulations.gov/docket/IRS-2022-0020>. WTO Members may find information concerning further steps in the public process for implementation, including the opportunity to comment on interim regulations, available online at <https://home.treasury.gov/>. The United States intends to administer the Act in a manner that is consistent with U.S. law and with U.S. commitments under the WTO Agreement.

¹ G/SCM/Q2/USA/89.