House Democrats on Friday approved a sprawling bill to lower prescription drug costs, address global warming, raise taxes on some billion-dollar corporations and reduce the federal deficit, sending to President Biden the long-delayed, last component of his economic agenda in time for this year’s elections.

The 220-to-207 vote marked the culmination of roughly a year and a half of debate that at times pitted the party’s lawmakers against each other, revealing Democrats’ fierce ideological divides.

The bill, known as the Inflation Reduction Act of 2022, secures the largest-ever investment to tackle climate change, with roughly $370 billion dedicated to curbing harmful emissions and [promoting green technology](https://www.washingtonpost.com/technology/2022/08/12/climate-technology-spending-bill/?itid=lk_inline_manual_5). The bill also moves to cap and lower seniors’ drug costs while sparing about 13 million low- and middle-income Americans from [increases in their insurance premiums](https://www.washingtonpost.com/us-policy/2022/07/13/manchin-schumer-aca-credits/?itid=ap_tonyromm&itid=lk_inline_manual_5) that otherwise would occur next year.

To pay for the spending, Democrats rely on revisions to tax laws, including a [new minimum tax on some billion-dollar corporations](https://www.washingtonpost.com/business/2022/08/11/minimum-corporate-tax/?itid=lk_inline_manual_8) that now pay nothing to the U.S. government. That change — along with another [new tax on stock buybacks](https://www.washingtonpost.com/us-policy/2022/08/12/inflation-reduction-act-biden-buybacks/?itid=lk_inline_manual_8) and fresh funding for the [Internal Revenue Service](https://www.washingtonpost.com/business/2022/08/06/inflation-reduction-act-irs/?utm_medium=social&utm_campaign=wp_main&utm_source=twitter&itid=lk_inline_manual_8) to pursue tax cheats — is expected to cover the costs of the bill. Democrats say it also can reduce the federal deficit by about $300 billion, but they have yet to furnish a final fiscal analysis.

The winding, [tumultuous path to passage](https://www.washingtonpost.com/us-policy/2022/07/30/climate-spending-agenda-senate-democrats/?itid=ap_tonyromm&itid=lk_inline_manual_10) began soon after Biden entered the White House. As the pandemic savaged the U.S. economy last spring, the president put forward a series of policy blueprints that aimed to re-envision the role of government in Americans’ lives. Biden’s plans left virtually no portion of the country untouched, seeking to rethink tax laws, rehabilitate the nation’s aging infrastructure, and spend massive sums on health care, education and climate.

Democrats now face a test in selling the accomplishment at a moment of mixed economic signals and vast political uncertainty. Inflation is trending down, yet prices are still high, while the threat of a recession looms large despite recent strong growth in the labor market. Biden’s popularity is low in some polls, even after Democrats notched a wide array of legislative victories in recent weeks, including laws to restrict gun purchases, expand veterans’ health care and manufacture much-needed computer chips.

The Inflation Reduction Act for the first time allows the U.S. government to negotiate the price of some medicines on behalf of seniors on Medicare — a novel system set to take effect in 2026. The bill also caps these seniors’ annual out-of-pocket prescription expenses at $2,000 a year beginning in 2025, and limits insulin co-pays to $35 starting in 2023 for Medicare patients.

Taking aim at drug manufacturers, the proposal further imposes penalties on those that raise the price of Medicare beneficiaries’ medicines faster than the rate of inflation. While the “inflation rebate” does not apply to prescriptions written for Americans on private insurance — a casualty of the way Democrats moved the bill in the Senate — lawmakers see the measure as a major victory after years of staunch pharmaceutical industry opposition.

On climate change, the bill includes $161 billion in new tax credits to incentivize clean electricity and about $80 billion to encourage consumers to purchase new or used electric vehicles and improve the energy efficiency of their homes. It also approves $1.5 billion to cut down on methane, a potent greenhouse gas.