The climate policies are the most ambitious passed by any Congress, but an entire set of family policies was left out.

Democrats in Congress have had to scale back their legislative ambitions since last year, but the Inflation Reduction Act, signed by President Biden on Tuesday, is still substantial legislation that will make big investments in the environment and health care, and increase taxes on some key groups.

The bill includes policies lowering the prices of prescription drugs; increasing the generosity of Medicare benefits; and encouraging the development of renewable energy and reducing the impact of climate change.

It will also raise taxes on some corporations and bolster the ability of the Internal Revenue Service to crack down on wealthy tax evaders. It will lower the federal deficit, though modestly.

The bill includes last-minute changes requested by Senator Kyrsten Sinema, Democrat of Arizona, the final holdout among her party's 50 senators. Democratic leaders agreed to remove a tax on some wealthy hedge fund managers and private equity executives, and to include $4 billion in drought funding for her state.

If the current bill includes a lot -- in spending, new taxes and policies -- it also omits a lot of the Democrats' original ambitions. Missing is an entire set of family policies that were in a bill passed by the House last year, like a generous child tax credit and paid family leave.

Certain health policies, such as an expansion of Medicaid to give more low-income adults health insurance, were removed to pare down the bill's cost. And though the climate policies are the most expansive passed by any Congress, they are more modest than those included in earlier versions of the legislation.

The current bill includes clean electricity incentives that are comparable in size to those in a version passed by the House last year. But it scales back spending in almost every other category, from transportation to climate resilience. Some proposed investments from earlier versions -- like those for lead remediation, work force development such as a Civilian Climate Corps, and electric bicycle tax credits -- did not make it into the new text.

The one major exception is manufacturing: Compared with previous versions of the bill, this legislation marks a significant increase in grants, loans and tax credits to manufacture clean energy technology domestically.

But it also pairs new climate spending with several major concessions to the fossil fuel industry at the request of Senator Joe Manchin III of West Virginia, whose support was necessary to advance the bill.

The Inflation Reduction Act is projected to reduce deficits by roughly $275 billion over 10 years, while the Build Back Better plan passed by the House would have added about $160 billion to deficits.

Democrats have said the new bill's deficit reduction, as well as the provisions aimed at lowering energy and prescription drug costs, will help address the rapid inflation over the past year. Many economists, including supporters of the bill, have said that while it may reduce price pressures, the overall effect is likely to be modest, and over the long term.