FACT SHEET

EXPLORING THE "BIG BEAUTIFUL BILL" PROPOSED BY REPUBLICAN LEADERSHIP

Under President Trump's leadership, Congressional Republicans have worked to craft a "big, beautiful bill" to advance relief for American taxpayers and implement much-needed reforms to federal programs that will slow spending.

What's in the bill?

- Making provisions of President Trump's Tax Cuts and Jobs Act permanent, in addition to increasing deductions for small businesses
- Implementing Medicaid reforms to slow federal spending and improve benefits for American citizens
- Increasing the Child Tax Credits and include provisions to boost the standard deductions for single filers and married couples
- Restructuring how students can borrow money from the federal government for college
- Providing additional funding and support to secure the border
- Repealing Joe Biden's wasteful Green New Deal agenda

In 2017, President Trump signed the first major tax cut for American families in nearly three decades, called the Tax Cuts and Jobs Act.

Unfortunately, Congressional rules prevented some provisions of the bill from being permanent. As a result, some of these provisions are set to expire at the end of 2025.

Failing to extend these provisions would cost the average American family of four $1,500 a year.

Exploring The “Big Beautiful Bill” Proposed By Republican Leadership

Executive Summary

Under President Trump’s leadership, Congressional Republicans have worked to craft a “big, beautiful bill” to advance tax cuts for American taxpayers and implement much-needed reforms to federal programs. House Republicans released a plan that would save taxpayers hundreds of billions over the next decade, including cutting Joe Biden’s wasteful Green New Deal projects to bring the cost of gas and energy down, making provisions of President Trump’s Tax Cuts & Jobs Act permanent to keep more money in the pockets of hardworking taxpayers, and increasing the Child Tax Credit to support American families.

Given the GOP’s razor-thin majority in the House, Republican lawmakers are working to pass their legislation via the budget-reconciliation process, which lowers the Senate’s passage threshold from 60 votes to 51. This means that the party must find alignment on a litany of issues, such as reforming Medicaid and increasing caps on state and local tax deductions, both of which have divided the caucus in the past.

Some of the key aspects of this legislation won’t be nearly as contentious for the GOP. This includes things like increasing the child tax credit to provide tax relief to families, making provisions of President Trump’s signature Tax Cuts and Jobs Act permanent, and funding additional border security measures.

Here are a few of the most notable inclusions in the GOP’s spending bill:

1. Making provisions from The Tax Cuts and Jobs Act of 2017 permanent, in addition to increasing deductions for small businesses.
2. Implementing Medicaid reforms and slowing federal spending
3. Increasing the Child Tax Credits and include provisions to boost the standard deductions for single filers and married couples
4. Raising the State and Local Tax (SALT) deduction cap from $10,000 to $30,000
5. Restructuring how students can loan money from the federal government for college
6. Providing additional funding and support to secure the border
7. Repealing parts of Joe Biden’s green energy agenda, including his so-called “Inflation Reduction Act”

Extension of Tax Cuts and Increasing Deductions and Exemptions

In 2017, President Trump signed the first major tax cut for American families in nearly three decades, called the Tax Cuts and Jobs Act. Unfortunately, Congressional rules prevented some provisions of the bill from being permanent. As a result, some of these provisions are set to expire at the end of 2025.

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- The legislation released by House Republicans lays the groundwork for making the tax cuts from the Tax Cuts and Jobs Act permanent.
- Under the most recent framework, the small business deduction under Section 199A would be increased from 20% to 22%. Additionally, the estate tax exemption would be raised to $15 million.

Medicaid Reforms and Slowing Federal Spending

The Medicaid program had a roughly $618 billion budget in fiscal year 2024 and provides insurance to more than 70 million low-income Americans. Medicaid is a distinct program from Medicare, which provides health insurance to Americans 65 and older.

The GOP plan also makes minor reforms to Medicare, but it's important to note that there are no significant cuts to the program or benefits. Under this plan, projections show that Medicaid spending will continue to rise year-over-year for every year covered in its analysis.

Medicaid spending will continue to grow, but under this plan, the growth will be slowed by hundreds of billions of dollars over the next ten years. This will be accomplished by removing illegal immigrants from the rolls and requiring able bodied adults to work, ensuring benefits are directed to the American citizens who rely on them. These reforms are supported by strong majorities of Americans.

Here are some of the Medicaid reforms included in the plan:

- Placing a new 80-hour-per-month work requirement on certain able-bodied adults receiving Medicaid, aged 19 through 64.
- States which provide Medicaid coverage to illegal immigrants could see their federal Medicaid reimbursement dollars reduced by 10%.
- Under this legislation, large groups who provide abortion services would be ineligible for federal Medicaid dollars.
- Requiring eligibility checks on expanded Medicaid enrollees every six months. The Biden administration did them annually.
- Banning states from adding or increasing provider taxes to help finance their portion of Medicaid costs.
- Preventing "middlemen" pharmacy benefit managers (PBM's) from charging higher prices to Medicaid than they actually pay for drugs.

According to a Napolitan News survey: Seventy-one percent (71%) favor a proposal to reduce the growth of spending on Medicaid. The proposal would remove illegal immigrants from Medicaid and require all who want Medicaid to work if they are able. The survey found that just 25% are opposed to such a proposal.

Child Tax Credit and Standard Deductions

The Child Tax Credit helps families with qualifying children get a tax break, and they may be able to claim the credit even if they don't normally file a tax return. Families qualify for the full amount of the 2024 Child Tax Credit for each qualifying child if they meet all eligibility factors and their annual income is not more than $200,000 ($400,000 if filing a joint return).

This credit has provided much-needed relief to everyday Americans who have faced rising inflation and childcare costs, and President Trump has emphasized its importance. This is reflected in the GOP's spending bill, which significantly expands the credit and ensures that only American citizens are eligible to claim it.

- This legislation would raise the Child Tax Credit to $2,500, up from $2,000 per child between 2025 and 2028.
- The legislation would implement the requirements that parents provide Social Security numbers for any children claimed instead of using taxpayer identification numbers used by some noncitizens when filing taxes.

- Additionally, the framework would temporarily boost the standard deduction by $1,000 for single fliers and $2,000 for married couples.

SALT Deduction Cap Increase

The State and Local Tax (SALT) deduction allows taxpayers who itemize deductions on their federal income tax return to deduct certain taxes paid to state and local governments, reducing their federal tax liability. The SALT deduction cap disproportionately affects taxpayers in states with high state and local taxes, such as New York, who may have previously deducted a larger amount.

In essence, the SALT deduction provides a federal tax benefit to taxpayers who itemize and pay significant state and local taxes, but its impact is limited by the $10,000 cap and remains a point of contention in tax policy discussions. Critics highlight that the SALT deduction primarily benefits taxpayers in wealthy blue states.

The debate over SALT will be a primary point of contention as Congress works to produce a final bill.

- The current legislation would aim to increase the SALT deduction from the current cap of $10,000 to a new cap of $30,000.
- However, this deduction has promoted intense debate in the Republican caucus, with fiscal hawks opposing raising the cap. Alternatively, supporters in the Republican caucus have criticized the new cap of $30,000 as too low.

Federal Student Loans

Student loan debt has become a crisis in America, with an estimated 43 million Americans affected. The cost of college—and resulting debt—is higher in the United States than in almost all other wealthy countries, where higher education is often free or heavily subsidized. As a result, students are forced to borrow more and spend decades paying it back. This crisis has also led to dramatic cultural and economic impacts, with many students choosing to delay starting families or buy their first home.

President Trump and House Republicans have included significant reforms to federal student loans in the spending bill. While they can't force colleges to keep costs down, the proposed legislation would reduce the government's role in the loan process and help prevent students from taking on more debt than they can reasonably afford.

- The current legislative framework would work to save $330 billion by limiting the federal role in the student loan borrowing process.
- It would also cap the total amount of federal aid a student can receive annually at "the median cost of college" and end economic hardship and unemployment deferments.
- The legislation would also end the subsidized loan program for undergraduate students and would terminate all income-contingent repayment plans. Instead, borrowers would choose between a standard repayment plan, or a repayment assistant plan based on borrower's income.
- It would also create "skin-in-the-game accountability" for colleges participating in the Direct Loan program by requiring them to reimburse the Department of Education for a portion of loans that aren't fully repaid.

Immigration Spending

Securing the border has been one of President Trump's primary domestic policy priorities. This priority is reflected in the GOP's spending bill, including funding additional border wall construction, building additional detention infrastructure, hiring additional agents to enforce the law, and enacting fees for migrants entering the United States.

- The legislation includes $45 billion to build new immigration detention facilities, hiring 10,000 more Immigration and Customs Enforcement officers, and additional funding for 1 million annual deportations through ground and air transportation.
- The current legislative framework includes $46.5 billion to expand and modernize the U.S. Mexico border barrier system, including completing 700 miles of primary wall and the construction of 900 miles of river barriers.
- This legislation would impose a $1,000 fee on migrants seeking asylum, the first time the United States has implemented such a policy.
- Additional fees include a $3,500 fee for those sponsoring unaccompanied children to enter the U.S., a $2,500 penalty if sponsors of unaccompanied children skip court appearances and a $1,000 fee for individuals paroled into the U.S.

Green Energy Mandates

A core aspect of the GOP spending bill is focused on bringing down the cost of energy. This includes repealing parts of Joe Biden's wasteful Green New Deal and so-called "Inflation Reduction Act" legislation. Critics of Biden's IRA claim that the subsidies will cost American taxpayers roughly $1 trillion over the next decade. President Trump campaigned on repealing the IRA, and the House GOP has identified about $6.5 billion that can be saved by repealing climate-related initiatives included in it.

Additionally, the legislation will accelerate the permitting process for infrastructure projects, further reducing bureaucracy and red tape while increasing federal revenue.

- The legislative framework would eliminate seven green programs authorized by Joe Biden's 2022 Inflation Reduction Act.
- It would end a consumer-facing credit for electric vehicle purchases and a tax credit for home energy efficiency improvements, and phase out of various key clean energy subsidies for expiry by 2031.
- The proposed cuts from the House tax panel include a rapid phase-out of the "technology neutral" 45Y tax credits for wind, solar and other clean energy sources that include Republican-favored technologies like nuclear and geothermal.
- The credits, which had no expiration previously, would phase down from 80% for a facility placed in service during calendar year 2029, to 60% by 2030, 40% by 2031 and zero after 2031.
- Outside of IRA programs, the legislation would accelerate permitting for infrastructure projects through new fees. One Energy and Commerce provision, for example, would allow DOE to automatically deem a potential liquefied natural gas export facility to be in the "public interest" — normally a key regulatory hurdle — if the applicant pays a one-time fee of $1 million.
- Another provision would allow other natural gas infrastructure developers to receive an "expedited permitting process" from the Federal Energy Regulatory Commission under the Natural Gas Act if the applicants pay $10 million or 1 percent of the project's projected cost.

Public Sentiment

According to a Napolitan News Survey, when told that the Republican budget proposal would reduce spending over the next ten years by $2 trillion – from $86 trillion to $84 trillion, just 19% say the GOP plan is a major cut.

- 17% say the plan is cutting too much, while 48% say it's too little.

- These findings contrast sharply with legacy media outlets' messaging, which call the cuts a "scorched earth policy".