

From June 2025 Voter

The Big Beautiful Bill

In the pre-dawn hours of May 22, the [House narrowly passed](#) a 1100-page bill tied to President Trump's agenda by a single vote, 215–214. Those voting in favor were all Republicans; those against, two Republicans plus all House Democrats. Dubbed the Big Beautiful Bill by President Trump, it addresses his priorities of making permanent the tax cuts from the 2017 Tax Cuts and Jobs Act (TCJA) and, inevitably, severely curtailing social services such as Medicaid or imposing restrictions and requirements that effectively would do so. At the same time, funds for the military, border security, and deportation programs are greatly increased.

ISSUES IN THE SENATE

The bill is now awaiting a vote in the Senate. A simple majority (51 votes) can pass the bill, since it is a [reconciliation bill](#) and not subject to the 60-vote supermajority required for other legislation. Since the Senate currently has 53 Republicans, 45 Democrats, and 2 Independents, achieving a supermajority, given our sharply divided politics, is nearly impossible.

Most Republicans hope to pass the bill by July 4 to circumvent potential debt default. However, Senate Republicans are less unified than their House counterparts on this bill. The [path forward is thus uncertain](#) due to disagreements among Republican senators. Disputed issues chiefly revolve around making Trump's 2017 tax cuts permanent, how to offset those cuts, and managing the debt ceiling. But there are also multiple other issues with this behemoth bill.

Spending Limits

- Some senators think the bill does not cut spending enough.
- Senator Ron Johnson (R-WI) wants to return to pre-pandemic spending levels, and since the bill does not accomplish that he is a likely “no” vote. He says at least three other Republican senators agree with him.

Changes to Medicaid and the Supplemental Nutrition Assistance Program (SNAP)

- Work requirements for older Medicaid recipients have broad GOP support.
- But senators like Josh Hawley (R-MO), Jerry Moran (R-KS), and Susan Collins (R-ME) are concerned about the possible impact of funding cuts on rural hospitals, health provider copays, and other health care costs.
- Concerns also exist about SNAP costs being shifted to states, which could have a potentially devastating impact on so-called red (Republican) states with a high dependency on federal food aid. The House bill proposes \$290 billion in cuts to food aid.

Making 2017 Tax Cuts Permanent

- Senate Republicans want several cuts from the 2017 TCJA to become permanent. Senate Finance Chair Mike Crapo (R-ID) says permanence is a current goal in the Senate version.
- Additionally, the House bill includes temporary cuts—e.g., on tips, overtime pay, and car-loan interest.

Provisions to Help Pay for Tax Cuts

- The House bill offsets tax cuts with \$1+ trillion in cuts to:
 - Medicaid
 - SNAP benefits
 - Green energy programs
- Some Senate Republicans argue that permanent tax-cut extensions do not need offsets, creating a procedural and political conflict.



Speaker Mike Johnson (left) and President Trump at the Capitol on May 20, 2025, when Trump made a rare appearance to push for passage of the bill.

Debt Limit

- Treasury Secretary Scott Bessent warns that the United States could default on its debt payments by August if no action is taken.
- The House bill raises the debt ceiling by approximately \$4 trillion.
- Senator Rand Paul (R-KY) opposes including a debt ceiling in this bill.
- Others, like Senator John Cornyn (R-TX), argue that excluding a debt ceiling would force a separate vote and thus require Democratic support, costing GOP leverage.
- It should be noted that the [Senate itself reported in 2023](#) that a “major cause of our debt and deficits is the Republican fixation on giant tax cuts for big corporations and the wealthy. Together, the Bush and Trump tax cuts have added \$10 trillion to the debt, and they account for 57 percent of the increase in debt-to-GDP ratio since 2001.” If it were not for those tax cuts, our debt, as of 2023, would actually have been declining as a share of the economy. If it had not been for measures like COVID relief, those tax cuts would account for 90 percent of the debt increase. The Congressional Budget Office recently projected that in 2025 the proposed cuts will cost U.S. taxpayers more than \$900 billion, rising to \$1.8 trillion by 2035. Those projections were made before House passage of the Big Beautiful Bill.

Energy Tax Credits

- The House bill repeals or phases out clean energy tax credits from 2022.
- Several GOP senators—including Lisa Murkowski of Alaska, Thom Tillis of North Carolina, John Curtis of Utah, and Jerry Moran of Kansas—are worried that this could hurt state-level investments, cause economic uncertainty, and undermine job creation.

Artificial Intelligence

- The House bill bans state and local AI regulations for 10 years, giving the federal government sole control.
- The technology industry, especially those working in AI, are in favor of the bill but raise bipartisan concerns.
- The AI provisions may not survive Senate rules, because they do not directly affect the federal budget (which under certain rules is required for a reconciliation bill).

Other Issues

- Republicans have only 53 votes in the Senate, so individual senators have outsized influence.
- Some senators may have issues with the House bill’s [provision to block](#) federal judges from enforcing contempt citations if they have not previously ordered a bond. The measure is touted as reducing frivolous lawsuits, while House Judiciary Committee Chair Jim Jordan (R-OH) also sees it as a means of preventing judges from issuing nationwide injunctions.
- Senator Mike Rounds (R-SD) objects to the way the House bill handles spectrum auctions (selling telecom signal rights), calling the provision a dealbreaker.
- Senator John Hoeven (R-ND) wants funding for a farm safety net to lay the groundwork for a future farm bill.

WHAT’S IN THE BILL

Tax Cuts

- The 2017 TCJA tax cuts are extended.
- Not all of President Trump’s campaign promises on tax cuts are included.

Social Security Taxes

- Trump promised to eliminate taxes on Social Security income. The bill does not do that, but it offers a temporary increase in the standard deduction for seniors (age 65+)—to \$26,000 (from \$24,000) for joint filers, to \$19,500 (from \$18,000) for heads of household, and to \$13,000 (from \$12,000) for all other filers, effective for tax years 2025 to 2028.
- In addition, there are new, temporary (2025–2028) tax deductions of up to \$4,000 for seniors (age 65+).
- “High earners”—couples with incomes above \$150,000 and individuals with incomes above \$75,000—don’t qualify for the deductions.

Medicaid Requirements

- To help pay for the tax cuts, the bill tightens Medicaid eligibility with a work requirement. Childless, non-disabled adults must work at least 80 hours per month, starting December 2026.
- Re-enrollment is required every 6 months to maintain benefits (instead of once a year). This new requirement will double the workloads of both eligible recipients and government workers, increasing processing delays.
- Additional paperwork is required, more frequently, to prove income and residency.

Debt Ceiling

- The bill raises the national debt ceiling, a necessary step to allow the increased debt this bill will cause and to prevent the United States from defaulting on its financial obligations.

SALT Tax Deduction

Prior to the 2017 TCJA, there was no limit on deductions for state and local taxes (SALT). This is a particularly big issue for people in states with high property taxes, such as New York, Massachusetts, California, New Jersey, and Illinois.

- In 2017, the TCJA capped SALT deductions at \$10,000, a provision that would have expired in 2025. The SALT cap was a major sticking point in House negotiations.
- The new bill [raises the cap to \\$40,000](#) for filers earning up to \$500,000. The nonpartisan [Tax Policy Center](#) estimates that about half of this benefit would go to those making between \$400,000 and \$500,000.
- Moderate Republicans with constituencies in urban or high-tax areas pushed for the higher cap on SALT deductions.

ORDINARY AMERICANS, STATES, AND THE BIG BEAUTIFUL BILL

SNAP Benefits

- Over 40 million low-income Americans rely on SNAP benefits (food stamps) for groceries.
- The bill requires states to pay more into the program, potentially straining state budgets (particularly in poorer red states), and adds new work requirements for able-bodied adults without dependents. If people do not meet the requirement, they risk losing access to food assistance. It makes it tougher to qualify and places a greater burden on states to fund and manage the program.

No Taxes on Tips or Overtime

A big campaign promise from Trump was to end federal taxes on tips and overtime pay.

- Waiters, service workers, and hourly employees stand to keep more of their pay.
- The bill could benefit millions of low- and middle-income workers, especially in hospitality and retail.

Car Loan Interest Deduction

- People buying U.S.-made cars could deduct interest on their car loans from their taxes to encourage domestic car buying and excludes foreign-made vehicles.
- The bill benefits auto buyers, but only if they choose U.S.-manufactured models.

Child Tax Credit

- The Child Tax Credit increases from \$2,000 to \$2,500 per child through 2028.
- It is available only to Americans with valid Social Security numbers.

Debt Ceiling Raised

- The bill raises the debt ceiling by \$4 trillion, which allows the government to avoid defaulting on current obligations (Social Security, military pay, etc.) and keeps programs running that are already funded.
- There is no immediate impact on individuals, but raising the debt ceiling delays a potential financial crisis as markets increasingly lose confidence in the dollar.

WHO BENEFITS

- Tipped and hourly workers (no tax on tips/overtime)
- Families with children (bigger child tax credit)

- Buyers of U.S.-made cars
- Federal government (avoids default)
- The very wealthy (lowers taxes, disproportionately favoring those with high incomes and placing a greater burden on lower-income individuals to fund government programs)

WHO MAY BE HURT

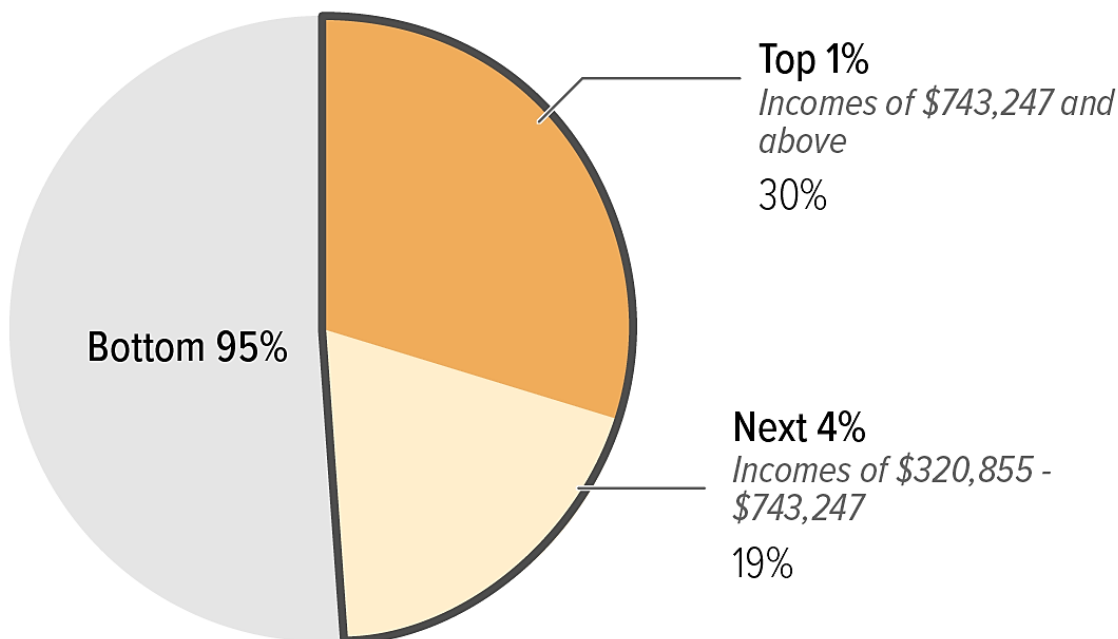
- Low-income adults on SNAP or Medicaid (stricter rules, harder access)
- States (now responsible for more SNAP costs)
- People without Social Security numbers (who will not benefit from the child tax credit)
- According to the [Center for Budget and Policy Priorities](#), extending the TCJA tax cuts will “do relatively little for households with low or middle incomes. Households with incomes in the top 1 percent (who make more than roughly \$743,000 a year) would get tax cuts averaging \$61,000 a year, compared to only about \$400 for households with incomes in the bottom 60 percent (who make roughly \$96,000 or less). Those tax cuts would come on top of the large tax benefits that wealthy people will receive from the 2017 law’s permanent corporate tax cuts, which are tilted even more heavily toward wealthy people than the expiring individual tax cuts.”

WHAT’S NEXT?

The Senate will now decide whether to pass the bill as is, amend it, or reject it—and that process will be difficult, due to narrow margins and diverse opinions among Senate Republicans.

—Martha Y. Zavala, Advocacy Director

Over 49% of Costs of Extending 2017 Law’s Expiring Provisions Flow From Tax Breaks for the Top 5% of Households



Source: Office of Tax Analysis, Department of Treasury. “The Cost and Distribution of Extending Expiring Provisions of the Tax Cuts and Jobs Act of 2017”