

One, Big, Beautiful Bill

Individual Tax Provisions

- Makes permanent reduced income tax rates from 2017 for individuals, trusts, and estates.
- Makes permanent the standard deduction from 2017 and temporarily enhances it through 2028.
- Makes permanent the 2017 repeal of personal exemptions.
- Increases the state and local tax (SALT) deduction cap from \$10,000 to \$30,000 for taxpayers earning less than \$400,000 per year. The cap would phase down by 20 percent for income above \$400,000 until it reaches \$10,000.
- Makes permanent the doubled Child Tax Credit (CTC) of \$2,000 per child from 2017. For tax years 2025–2028, the bill would increase the CTC to \$2,500 per child.
- Makes permanent and enhances the Section 199A pass-through deduction that allows eligible individuals, trusts, and estates to deduct a percentage of their qualified business income (QBI) from their taxable ordinary income. Since 2017, the maximum deduction is 20 percent of QBI; the bill would increase the maximum deduction to 23 percent of QBI.
- Makes permanent and enhances the increased estate and gift tax exemption from 2017. For 2026, the exemption amount would be \$15 million (\$30 million for couples) and would be indexed annually for inflation.
- Makes permanent the 2017 increase in the Alternative Minimum Tax (AMT) exemption and the income levels at which the AMT exemption phases out.
- Makes permanent the 2017 repeal of the Pease limitation and replaces it with an overall limit on itemized deductions of 35 cents per dollar.
- Makes permanent the \$750,000 mortgage interest deduction.
- Makes permanent the limit on casualty loss deductions from 2017.
- Makes permanent the 2018 suspension of miscellaneous deductions.
- Permanently increase or modifies employer-provided child care, paid family and medical leave, and adoption tax credits.
- Eliminates taxes on qualified tips, overtime pay, and car loan interest through 2028.
- Provides a \$4,000 deduction for seniors with a modified adjusted gross income up to \$75,000 (\$150,000 for couples)—in place of making social security payments tax-exempt.
- Provides a tax credit for contributions to tax-exempt scholarship-granting organizations to K-12 students through 2029.
- Provides a tax deduction for charitable cash contributions up to \$150 (\$300 for couples) for non-itemizers through 2028.
- Creates a tax-preferred savings account for children under the age of eight. The government would provide \$1,000 for children born from 2025 through 2028. Allows \$5,000 of pre-tax annual contributions; available when the child turns 18.
- Extends and modifies taxation of opportunity zones; creates additional opportunity zones.
- Increases dollar limitations for Section 179 deduction.
- Extends the limit on excess business losses of noncorporate taxpayers

Business Tax Provisions

- Extends 100 percent bonus depreciation through 2029.
- Allows full expensing of research and development costs through 2029.

- Extends the business interest deduction by reinstating the EBIDTA limitation and increases the deduction cap.
- Extends the deduction for foreign-derived intangible income and global intangible low-taxed income.
- Extends the base erosion minimum tax amount from 2017, preventing an increase.
- Allows 100 percent depreciation for qualified production property through 2028.
- Imposes a 1 percent floor on charitable contributions made by corporations.

Energy Tax Credits

- Extends and modifies the clean fuel production credit through 2031 with changes to the definition of qualifying fuels.
- Repeals clean vehicle tax credits at the end of 2025, with a limited exception for some vehicles in 2026.
- Repeals the commercial clean vehicle tax credit at the end of 2025.
- Repeals the previously owned clean vehicle tax credit at the end of 2025.
- Repeals the residential clean energy tax credit at the end of 2025.
- Repeals the energy-efficient home improvement tax credit at the end of 2025.
- Repeals the energy-efficient homes tax credit at the end of 2025.
- Repeals the clean hydrogen production tax credit at the end of 2025.
- Repeals the alternative fuel vehicle refueling property tax credit at the end of 2025.
- Phases out and restricts the clean electricity production and investment tax credits with a statutory phase-out beginning in 2029 through 2031 based on placed-in-service dates, with foreign sourcing requirements for components, subcomponents, and critical materials, and removes credit transferability.
- Phases out and restricts the advanced manufacturing production tax credit, sunsetting after 2031 for most technologies, but in 2027 for wind components, with foreign sourcing requirements and repeals transferability.
- Places restrictions on the carbon dioxide sequestration tax credit, including limits on foreign sourcing and potential monetization restrictions .
- Phases out and restricts the zero-emissions nuclear power production credit beginning in 2029 through 2031.
- Extends and modifies the clean fuel production credit through 2031.

Other Provisions

- Removes tax benefits for illegal immigrants.
- Enforces remedies against extraterritorial taxes.
- Requires Affordable Care Act (ACA) Exchange verification of eligibility for health plans.
 - Disallows ACA premium tax credits for certain coverage obtained during special enrollment periods.
 - Eliminates limits on the recapture of advance payments of ACA premium tax credits.
- Modifies tax treatment of investment income of private colleges and universities.
- Reforms Earned Income Tax Credit.
- Bans IRS from issuing additional unpaid Employee Retention Credit claims.

Clean Vehicle Initiative Reversals

- Rescinds Inflation Reduction Act (IRA) funds related to energy efficiency training, vehicle manufacturing, transmission infrastructure, tribal energy financing, emissions reduction,

air quality monitoring, clean vehicles, environmental justice, clean ports, diesel emissions reduction, low-emissions electricity, methane emissions, environmental data collection, capacity-building, permitting streamlining, and product carbon labeling.

- Rescinds unobligated balances from various DOE offices, notably the Office of Energy Efficiency and Renewable Energy (EERE).
- Repeals EPA's Multipollutant Emissions Standards for MY27 and Later Light-Duty and Medium-Duty Vehicles.
- Repeals NHTSA's CAFE Standards for Passenger Cars and Light Trucks for MY27 and for Heavy-Duty Pickup Trucks and Vans for MY30.

Energy Permitting

- Imposes new multi-million dollar application fees and streamlined approvals for cross-border energy infrastructure, natural gas exports, and pipeline permitting.
- Creates a De-Risking Compensation Program for energy project investors and funds the Strategic Petroleum Reserve with \$2 billion.

Spectrum Modernization Initiative

- Requires the NTIA and FCC to identify at least 600 MHz of spectrum between 1.3 and 10 GHz (excluding certain bands) for auction by 2034, with at least 200 MHz auctioned within three years to cover federal relocation costs.
- Extends FCC's auction authority through FY2034 and allocates \$500 million through 2035 to modernize federal IT systems using commercial artificial intelligence (AI) and automation technologies to improve efficiency and cybersecurity.
- Prohibits states and localities from regulating AI systems for 10 years.

Broad Medicaid, ACA Program Quality Assurance

- Mandates Medicaid recipients complete at least 80 hours per month of work, education, or community engagement, with exemption waivers for certain populations facing certain hardships and cost-sharing mandates for higher-income adults.
- Requires states to conduct stricter and more frequent Medicaid and ACA program provider screenings and eligibility redeterminations with penalties for overpayment, shortened retroactive coverage, limited special enrollment periods, and expanded past-due premium collection with heightened scrutiny for non-citizens, the deceased, and enrollees seeking gender transition procedures.
- Expands orphan drug exemptions from price negotiations, eases enrollment for out-of-state pediatric providers, delays Disproportionate Share Hospital (DSH) cuts, updates Medicare payment formulas, and increases transparency and restrictions on PBM practices in Medicare Part D, such as spread pricing.

Medicaid Burden Sharing with States

- Reduces the Federal Medical Assistance Percentage (FMAP) by **10 percent** for Medicaid expansion states that use their Medicaid infrastructure to provide healthcare coverage to undocumented immigrants.
- Requires State Medicaid demonstration projects to meet budget neutrality while limiting federal funds for new Medicaid expansion states, restricting new provider taxes, and imposing tighter financial limits on state-directed payments and Medicaid tax waivers.

Supplemental Nutrition Assistance Program (SNAP) Restructuring

- Caps future reevaluations of the Thrifty Food Plan (TFP) to once every five years and prohibits cost increases due to reevaluation.

- Raises the SNAP upper age for able-bodied adults without dependents (ABAWDs) subject to work requirements from 49 to 64, narrows the definition of dependents, and adds job search, training, or community service conditions for several SNAP participant categories.
- Tightens rules on state waivers for work requirements, curbs geographic grouping for unemployment-based waivers, imposes new reporting mandates on states, and limits administrative flexibility related to emergency allotments and outreach.
- Modifies income exclusions and state reporting for Employee and Training (E&T) programs, requires new USDA studies on retailer stocking and employment data, and applies performance reporting mandates across a broader range of program categories.

Higher Education Regulation Reforms

- Repeals the 90/10 and Gainful Employment rules and limits the Secretary's authority to issue new student loan-related regulations unless cost-neutral to the federal government.
- Implements annual caps on federal aid at the median cost of attendance, new loan limits for unsubsidized loans, stricter parent loan conditions, income-based repayment options, and limits on deferments and forbearances, with provisions for public service loan forgiveness.

Merit Focuses New and Old Student Programs

- Replaces the Grad PLUS program with the PROMISE grant program to reward institutions based on price guarantees, educational outcomes, and financial aid transparency.
- Expands eligibility for Workforce Pell Grants for students in short-term, workforce-aligned programs and refocuses eligibility on a student aid index, enrollment status, and foreign income inclusion.

Coast Guard and Air Traffic Investments

- Includes \$33 billion to U.S. Coast Guard asset upgrades and to modernize the nation's air traffic control (ATC) system, including technology improvements and enhanced hiring at the FAA.

Clean Energy Program Reversals

- Rescinds \$4 billion in unobligated funds and eliminates seven IRA programs related to neighborhood equity, environmental reviews, emerging technologies, low-carbon materials, and sustainable aviation fuels.

New Highway Trust Fund Fees

- Imposes new annual user fees of \$250 for electric vehicles and \$100 for hybrids on the Highway Trust Fund.

Checks and Balances on Executive and Judicial Branches

- Requires congressional approval for any major revenue-raising executive regulation and empowers Congress to retroactively revoke existing rules.
- Limits courts from enforcing restraining orders or penalizing the government without bond.

New Migrant Fees

- Establishes minimum fees for asylum application, parolees, sponsors of unaccompanied children, work permits, Temporary Protected Status, and diversity visa registration.

Expanded Immigration Enforcement Activities

- Allocates \$45 billion to expand immigrant detention capacity through new detention centers, 10,000 additional staff, and removal operations, as well as enabling Immigration and Customs Enforcement (ICE) to assign more agents.

Service Members' Quality of Life

- Provides \$8.54 billion in funding to upgrade barracks and healthcare, support military families with housing allowances, childcare, education, spouse licensure, and relocation costs, and authorizes public-private housing partnerships.

U.S. Defense Capabilities, Infrastructure, and Readiness

- Invests \$142 billion in shipbuilding, missile defense, munitions and supply chains, low-cost and next-gen weapons systems, air and nuclear forces, Indo-Pacific Command, overall force readiness, border support, and military intelligence.

Military Oversight and Accountability

- Allocates \$10 million for Inspector General audits, requires detailed expenditure plans and annual reporting to Congress, and limits spending to before September 30, 2034.

Border Security Investment

- Includes **\$52.3 billion** for border infrastructure, covering wall construction, Customs and Border Protection (CBP) facilities, checkpoints, and patrol vehicles.
- Allocates **\$5.2 billion** to recruit, hire, train, and retain CBP personnel, along with **\$3 billion** for surveillance technology, biometric systems, and narcotics detection.
- Designates **\$3 billion** for air and marine operations, counter-drug initiatives, drone threat mitigation, and federal law enforcement training, \$450 million of which is through anti-terrorism grants to state and local agencies.

Event Specific Boosts

- Allocates an additional \$300 million for Secret Service, \$625 million for World Cup security, and \$1 billion for the 2028 Olympics.

Federal Employees' Retirement System (FERS) Changes

- Increases employee contribution rates, eliminates the FERS annuity supplement for most future retirees, switches pension calculations from high-3 to high-5 average pay, and creates a new at-will employment option with lower contributions.
- Authorizes the Merit Systems Protection Board to charge filing fees and expand eligibility verification requirements in the Federal Employees Health Benefits (FEHB) Program, including mandatory audits and reporting to the OPM inspector general.

Functional Consolidation and Green Energy Finance Reversal

- Phases out the Public Company Accounting Oversight Board (PCAOB).
- Caps the Consumer Financial Protection Bureau funding authorities and restricts unobligated balances.
- Rescinds unobligated funds from the Green and Resilient Retrofit Program.

Land and Energy Opportunity Expansion

- Resumes and enhances oil and natural gas royalty rates, geothermal lease sales, timber sales and contracts on federal lands, quarterly onshore oil and gas lease sales, and leasing for energy production on federal lands.
- Rescinds IRA and Infrastructure Investment and Jobs Act (IIJA) National Oceanic and Atmospheric Administration, the National Park Service, and the Bureau of Land Management funding.

Expanded Immigration Enforcement Activities

- Allocates \$45 billion to expand immigrant detention capacity at new detention centers, 10,000 additional staff, and removal operations, as well as enabling more ICE detentions.