



# Trump's Big Beautiful Bill

An overview of the One Big Beautiful Bill Act, with key provisions broken down by sector

July 7, 2025

# Roadmap

- **Overview**
- Tax and finance
- Health care
- Energy
- Agriculture
- Immigration



# Trump signs the One Big Beautiful Bill into law

June 29-30

Senate advances bill and vote-a-rama begins

July 1

Senate passes bill on a 51-50 vote

July 3

House passes bill on a 218-214 vote

July 4

President Trump signs the bill into law

On July 3, the House **narrowly passed (218-214) the One Big Beautiful Bill Act**, with two Republicans, Thomas Massie (KY-4) and Brian Fitzpatrick (PA-1), voting against the bill; President Trump signed the bill into law on his July 4 deadline

CBO ESTIMATED INCREASE TO  
THE FEDERAL DEFICIT



**\$3.4T**

BY 2034

## KEY PROVISIONS IN THE RECONCILIATION PACKAGE



Makes 2017 TCJA tax cuts permanent



Raises debt ceiling by \$5 trillion



Cuts Medicaid, Medicare, and ACA by over \$1 trillion over ten years



Tightens work requirements for Medicaid and SNAP eligibility



Temporarily raises SALT deduction cap to \$40,000



Rolls back IRA clean energy incentives

# Key differences between the House and Senate versions of the One Big Beautiful Bill

ISSUE	HOUSE BILL	SENATE BILL
<b>Medicaid provider tax</b>	Caps tax rate at existing rates	Gradually reduces tax rate to 3.5% by fiscal year 2032
<b>Medicaid work requirements</b>	Exempts parents with dependent children	Applies to parents with children over 14
<b>AI moratorium</b>	10-year moratorium on state AI regulations	Not included
<b>Rural health care access</b>	Not included	\$50 billion fund to support rural hospitals over five years, starting in 2026
<b>Child Tax Credit</b>	Temporarily increases to \$2,500 per child through 2028	Permanently increases to \$2,200 per child
<b>Targeted income tax deductions</b>	Fully exempts tips, overtime pay, and auto loan interest from income taxes	Caps deductions on tips at \$25k, overtime at \$12.5k, and auto loan interest at \$10k
<b>SALT deduction cap</b>	\$40,000 cap for households under \$500k income	Temporarily raises cap to \$40,000 through 2029, and reinstates \$10,000 cap in 2030
<b>Energy tax credits</b>	Rapid phaseout of green energy tax credits and requires construction to start within 60 days to qualify	Slows the phaseout of energy tax credits and requires construction to begin within one year to qualify
<b>Debt ceiling increase</b>	Raises limit by \$4 trillion	Raises limit by \$5 trillion
<b>SNAP changes</b>	5% cut in federal funding across states; requires proof of work from adults with children over the age of 6	Conditional funding cuts based on states' error rates; requires proof of work from adults with children over the age of 14

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# The Senate proposes significant tax cuts and an increase to the debt ceiling

The bill extends key **TCJA tax cuts**, reduces social safety net spending, targets benefits for rural communities, seniors, and hourly workers, and raises the **debt ceiling by \$5 trillion**

## KEY CHANGES IN SENATE BILL

LARGER DEBT  
CEILING INCREASE



LIMITED DEDUCTIONS  
FOR OVERTIME PAY  
AND TIPS



TEMPORARY INCREASE  
TO SALT CAP



## POTENTIAL IMPACTS OF THE RECONCILIATION BILL ON TAX AND FINANCE



Raise in US debt could increase Treasury yields, interest rates, and impact the US bond market



A debt limit increase could cause the US dollar's global value to soften when it has already fallen 10.8% in value in 2025



More strenuous eligibility requirements for welfare programs could reduce overall support for low-income families



Extending 2017 tax cuts would maintain reduced tax rates, especially for high earners



New rural targeted tax incentives could promote agricultural economic development



Workers who rely on tips or an hourly wage will receive a boost in take-home income

# The bill builds upon provisions of the 2017 TCJA while raising the debt ceiling by \$5 trillion

## KEY TAX AND FINANCE PROVISIONS IN THE "ONE BIG BEAUTIFUL BILL ACT"



### Increases the debt limit

Raises the statutory debt limit by \$5T, one of the most significant debt limit increases in the country's history



### Raises SALT deduction cap

Temporarily raises cap to \$40,000 with 1% annual increases through 2029, and reinstates \$10,000 cap in 2030



### Extends major parts of 2017 TCJA

Makes permanent the 2017 TCJA's individual income tax rates, standard deduction increase, and more.



### Deductions for overtime pay and tips

Tax deductions for tips up to \$25K, overtime up to \$12.5K, and auto loan interest up to \$10K through 2028



### Raises the Child Tax Credit

Permanently increases the CTC to \$2,200 per child, with inflation adjustment



### New senior citizen tax credit

Provides a \$6,000 deduction for seniors with incomes under \$75,000 (under \$150,000 for joint filers)



### Increases estate and gift tax exemption

Raises the estate and gift tax exemption from \$10M to \$15M for single filers, and \$30M for joint filers



### Creates Trump Accounts

Establishes "Trump Accounts," seeding \$1,000 into a tax-advantaged investment account for every newborn, to be accessed in adulthood

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# Trump backs final bill despite deep Medicaid cuts he once distanced himself from

The One Big Beautiful Bill **cuts over \$1 trillion from Medicaid and ACA coverage** over 10 years; key provisions include national work requirements, copays, and stricter eligibility rules

## KEY CHANGES IN SENATE BILL

STRICTER WORK  
REQUIREMENTS



INCREASED FUNDING FOR  
RURAL HOSPITALS



STEEPER CUTS TO  
PROVIDER TAX RATES



## POTENTIAL IMPACTS OF THE RECONCILIATION BILL ON HEALTH CARE



Over \$1 trillion in cuts to Medicaid, Medicare, and ACA by 2034



Provider tax limits reduce Medicaid payments



11.8 million more uninsured by 2034



Rural facility gaps despite funding support



Eligibility and reenrollment paperwork could cause disenrollment



Copays may increase Medicaid patient costs

# Medicaid work requirements are projected to drop over 7 million from coverage

## KEY HEALTH CARE PROVISIONS IN THE "ONE BIG BEAUTIFUL BILL"



### State provider taxes

Freezes provider tax rates for non-expansion states and gradually reduces the provider tax rate for expansion states to 3.5% by FY2032



### Medicaid work requirements

Conditions Medicaid eligibility on beneficiaries working or engaging in qualifying activities at least 80 hours per month; exempts parents with dependent children 14 and younger



### State directed payments

Lowens the cap on state directed payments for inpatient hospital and nursing facility services to 100% of Medicare rates in expansion states and 110% in non-expansion states



### Rural health funding

Provides \$50 billion to rural health care providers between FY2025 and FY2030



### Free choice of provider

Bars Medicaid payments to nonprofit or community providers that primarily offer family planning or reproductive services that perform abortions outside of Hyde exceptions



### Restricted immigrant eligibility

Restricts Medicaid, Medicare, and ACA subsidy eligibility to citizens, lawful permanent residents, certain Cuban and Haitian immigrants, and COFA migrants



### Medicare PAYGO cuts

Deficit increase triggers significant cuts to Medicare under the Statutory Pay-As-You-Go Act starting in 2026 unless Congress intervenes



### Frequent eligibility checks

Requires states to verify eligibility for Medicaid expansion beneficiaries every 6 months

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# Reconciliation is set to cut Biden-era clean energy initiatives and bolster fossil fuel infrastructure

The final reconciliation package will claw back federal support for renewables, rescind unspent Inflation Reduction Act (IRA) funds, and loosen select permitting hurdles to **encourage additional fossil fuel** production

## KEY CHANGES IN SENATE BILL

SLOWED IRA CREDIT  
ROLLBACKS



REMOVES AUTOMATIC  
NEPA COMPLIANCE



ELIMINATES  
OFFSHORE LEASE  
DEADLINE



## POTENTIAL IMPACTS OF THE RECONCILIATION BILL ON ENERGY AND ENVIRONMENT



Increased cost of renewable energy systems



Decreased electric vehicle adoption



Smaller single-family-home energy efficiency market



Stalled innovation to battery, solar, wind, and carbon capture technologies



Increased production of coal, natural gas, and nuclear power due to new subsidies



Higher levels of greenhouse gas emissions by the US

# The final bill rolls back clean energy incentives and expands fossil fuel development

## KEY ENERGY AND ENVIRONMENT PROVISIONS IN THE "ONE BIG BEAUTIFUL BILL"



### Ends electric vehicle tax credit

Eliminates the \$7,500 EV credit by September 30, 2025, reducing support for consumer adoption and US EV production



### Phases out wind and solar tax credits for businesses

Ends credits for new projects unless construction starts within one year and operations begin by end of 2027



### Stops home clean energy credits

Ends tax credits covering up to 30% of the cost of residential clean energy installations such as solar panels



### Phases out low-carbon electricity credits

Ends credits for new nuclear, geothermal, and battery storage projects after 2033, fully ending by 2036



### Terminates EPA Greenhouse Gas Reduction Fund

Eliminates the \$27B EPA "green bank" for financing local clean energy in underserved communities



### Rescinds IRA clean energy funds

Rescinds around \$5 billion in IRA funds for certain programs but does not repeal programs completely



### Creates opt-in NEPA fee program

Project sponsors can pay 125% of review costs to receive faster environmental reviews



### Extends hydrogen tax credit timeline

Moves the construction start deadline for hydrogen projects from end of 2025 to January 2028

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- **Agriculture**
- Immigration



# Senate adds exemptions for new SNAP requirements but tightens farm subsidy eligibility

SNAP faces \$186 billion in budget cuts with new work requirements, increases to state contributions, and limits to the Thrifty Food Plan while the agriculture sector sees increased farming support investments

## KEY CHANGES IN SENATE BILL

CREATES SNAP CARVE OUT FOR AK AND HI



CHANGES EXEMPTION FOR SNAP WORK REQUIREMENT



REMOVES LIMIT ON CORN SUBSIDIES



## POTENTIAL IMPACTS OF THE RECONCILIATION BILL ON AGRICULTURE



Heightened protections against tax increases for farmers



Expanded farmer safety net through higher reference prices and added program funding



A projected 3 million could lose access to food assistance



Slowed SNAP benefit growth by limiting future updates to cost-of-living benchmarks



More states may opt out of SNAP due to cost-sharing burdens



May shift land sales toward continued agricultural use by deferring capital gains

# The reconciliation bill will invest in farm safety nets designed to support and protect farmers

## KEY AGRICULTURE PROVISIONS IN THE “ONE BIG BEAUTIFUL BILL”



### Work requirement

Expands SNAP work requirements to adults aged 55–64 and to parents whose youngest child is at least 14; also limits economic hardship waivers



### SNAP cuts

Cuts over \$186 billion in funding to SNAP and requires most states to cover 5–15% of SNAP benefit costs; delays cost-sharing for states with high error rates like Hawaii and Alaska



### Thrifty Food Plan

Reduces current SNAP benefits for some households and limits future benefit growth by restricting utility calculations and updates to the Thrifty Food Plan



### Capital gain tax

Allows installment payments for capital gains tax when farmland is sold to a farmer who keeps it in agriculture for 10+ years



### Farm safety net

Invests \$65.6 billion into farm safety nets including increased support for commodity programs, crop insurance, and commodity loan rates

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- **Immigration**



# The reconciliation bill will allocate billions in federal money to deportation efforts

Underscoring President Trump's campaign promises, this bill will improve detection capabilities, build new roads and facilities to support an increased number of border patrol agents, and allocate \$46.6B towards border wall construction

## KEY CHANGES IN SENATE BILL

DROPPED PARENT SSN  
RULE FOR "TRUMP  
ACCOUNTS"



INCREASED FUNDING  
FOR ICE



LOWERED ASYLUM  
APPLICATION AND  
COURT FEES



## POTENTIAL IMPACTS OF THE RECONCILIATION BILL ON IMMIGRATION



Expanded DHS role through increased funding for border wall, ICE, and immigration enforcement



Reduced benefits for refugees and humanitarian parolees, including Afghans and Ukrainians



Reduced drug trafficking through US borders



New detention centers along US borders to hold an increased capacity



Loss of Medicaid reimbursements for states that cover undocumented migrants



Increased border encounters due to new surveillance technologies and additional agents

# The bill would provide an additional \$46.6B to the Department of Homeland Security

## KEY IMMIGRATION PROVISIONS IN THE “ONE BIG BEAUTIFUL BILL ACT”



### Improving border facilities

Provides **\$46.6B** for border wall, CBP checkpoints, and facility maintenance



### ICE enforcement and deportation

Allocates **\$29.9B** to increase ICE enforcement and deportation operations



### Detention capacity

Allocates **\$45B** to expand detention centers, including family facilities



### Immigration and asylum fees

Imposes a new **\$100** annual asylum application fee, **\$550** fee for work permits for asylum seekers, and raises the temporary protected status fee to **\$500**



### Immigration court limits

Limits the number of immigration judges to **800** while providing **\$3.3B** in hiring support



### DHS reimbursement fund

Establishes a new **\$10B** fund for DHS to cover broad border enforcement costs



### Department of Defense support

Provides **\$1B** to the Department of Defense to support border security and deploy military personnel at the border



### State and local assistance

Provides **\$13.5B** to reimburse states and local governments for immigration-related costs