

Economy:

The Republicans’ “One Big Beautiful Bill”



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Top Line

- 1. Background – the One Big Beautiful Bill (OBBB) became law on July 4, 2025 with only Republican support.**
- 2. The OBBB contains a few positive measures, mostly tax cuts. These primarily benefit the highest 10% of US households by income.**
- 3. The OBBB has far more negative aspects.**
- 4. Because of the harm it causes, most Americans oppose the OBBB.**

We need to elect leaders who will work to undo the damage caused by this terrible bill.

CPP Research Analyst Rachel provided research for this paper.

Backup

1. Background on the One Big Beautiful Bill

- a. The "One Big Beautiful Bill Act" became law on July 4, 2025
- b. The only members of the House and Senate that voted for the OBBB were Republicans.
 - In the US Senate, the vote on the OBBB was 50 to 50, with the tie breaking vote cast by the Vice President. Every vote cast for the OBBB was a

Republican. Every Democrat and Independent, and three Republicans, voted against the BBB. (1)

- In the House of Representatives, the bill passed on July 3 by a vote of 218 to 214. Every Democrat, and two Republicans voted No. (2)

2. The OBBB has some positive aspects, but mostly for the wealthy

Although on balance the BBB is very damaging to the US and to working families, there are elements that may be perceived as positive.

- a. Makes the 2017 Tax Cuts Permanent** - The bill permanently extends key tax cuts from the 2017 Tax Cuts and Jobs Act, including keeping lower income tax rates and the larger standard deduction. While this provides some benefits to many households, as noted below the vast majority of benefits will be realized by the highest income families. And by reducing Federal revenues, this increases the deficit. (5)
- b. Raises the deduction for State and Local Taxes (SALT)** - The state and local tax (SALT) deduction cap is raised to \$40,000 for joint filers and \$20,000 for others until 2029, helping households in high-tax states reduce their federal tax bill. (5)
 - In Texas, the average household only pays about \$7,000 in state and local taxes, so this provision only benefits the highest income households. (6)
- c. Expands the Child Tax Credit** - The child tax credit is made permanent at \$2,200 per child and is indexed for inflation, providing more reliable support to families. (5)
- d. No tax on tips or overtime** - This will benefit hourly workers and people working in service businesses. (7)
- e. Expanded Tax Benefits for Family Offices and Small Businesses** - The bill enhances estate and gift tax exemptions, expands capital gains exclusions for qualified small business stock, and provides favorable conditions for family offices, incentivizing investment and wealth transfer planning. (8)
 - These changes will primarily benefit high income households, especially the changes to estate and gift taxes. Even before the OBBB, only a small percentage of the wealthiest households were subjected to estate taxes.

- In the absence of the OBBB, the estate tax exemption was set to fall to \$7 million per person at the end of 2025. The OBBB increases this to \$15 million per person, or \$30 million per married couple. According to Forbes, only 5% of US households have a net worth over \$2.7 million, so this change benefits only a tiny fraction of the wealthiest Americans. (9)

The bottom line is that while the BBB has benefits, most of them only benefit the wealthiest families. And they also increase the deficit, which affects all of us.

3. Negative aspects of the One Big Beautiful Bill

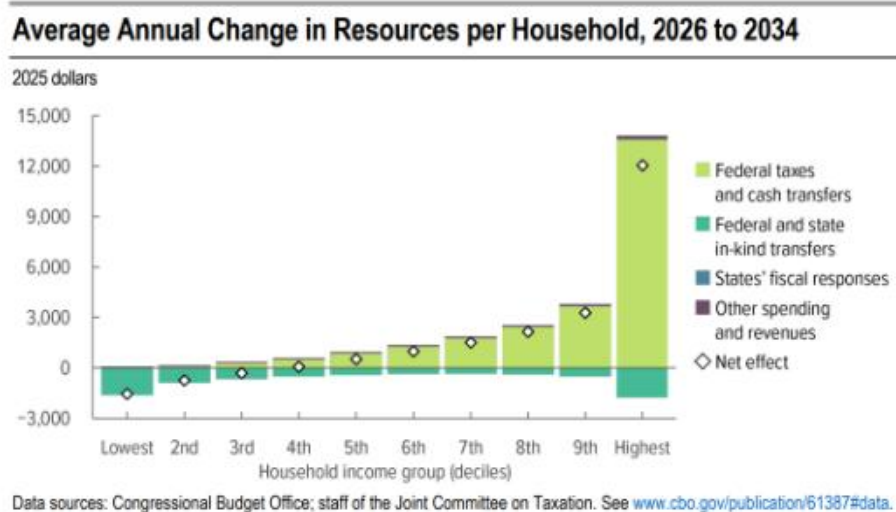
Offsetting these few positives are many more, and more severe, negatives. These negatives include:

- a. **OBBB massively increases the deficit and the Federal Debt** - Tax cuts are not free. OBBB significantly increases the federal deficit by adding trillions of dollars in borrowing over the next decade. The Congressional Budget Office (CBO) estimates the law will raise deficits by approximately \$3.4 trillion from 2025 to 2034, with added interest costs bringing the total increase to over \$4 trillion. (10)
- b. **OBBB benefits mostly the wealthiest Americans.** The Trump tax cuts from 2017, which overwhelmingly benefit the highest income households, were scheduled to expire, but have been made permanent by the OBBB. (11)
- c. **OBBB guts healthcare and health insurance.** To help pay for the tax cuts for wealthy households, the OBBB cuts benefits for struggling families. (12)
 - OBBB enacts over \$1 trillion in cuts to health care programs, especially Medicaid, pushing approximately 10 million Americans off health insurance.
 - It also blocks improvements to Medicare Savings Programs that help low-income seniors afford coverage, reducing access for vulnerable seniors.
 - The OBBB also blocks the implementation of national minimum staffing requirements for nursing homes that were designed to improve quality of care.
- d. **OBBB cuts food assistance for struggling families.** The BBB will dramatically raise costs and reduce food assistance for millions of people by cutting federal

funding for the Supplemental Nutrition Assistance Program (SNAP) by \$187 billion through 2034 (about 20 percent), according to the Congressional Budget Office (CBO). This is the largest cut to SNAP in history. **These cuts will increase poverty, food insecurity, and hunger, including among children. (13)**

e. **OBBB hurts working families to benefit the wealthy.** The Republicans' harmful law will cause widespread harm by making massive cuts to SNAP and Medicaid, raising costs on families and making it much harder for them to afford the high cost of groceries and health care.

- At the same time, it extends tax credits that primarily benefit the highest income Americans. This allows them to retain more wealth, which is reinvested, increasing their incomes. The BBB pushes middle and lower income people down, while enriching wealthier people, making our already extreme income inequality even worse.
- The Congressional Budget Office has estimated the effects of the OBBB on each decile (or 1/10th) of US Households. Middle income households benefit from the tax reductions, but some of that is offset by reductions in other programs. The lowest income households lose ground, because the tax breaks are not worth much to them and they depend more on the programs being cut or eliminated by the OBBB. As shown below, top decile households benefit the most - about \$12,000 per household, which is more than the total benefit for the other 90% of households. In other words, **the benefit to the top 10% of households is more than the benefit to all other households in the US combined. (14)**



- f. **OBBB reverses progress on climate change.** The OBBB severely undercuts clean energy progress by gutting tax credits and funding that supported hundreds of clean energy projects and related jobs. (15)
- The bill boosts fossil fuel production and harmful pollution by loosening environmental review rules and fuel efficiency standards, leading to higher energy costs for families and worse air quality in communities.
 - In addition to boosting dirty energy, a new “pay to play” system allows Big Oil and other corporations to jam through massive polluting projects by simply paying a fee to sidestep environmental review and community input. Our communities deserve to have their voices heard when polluting projects are proposed in our neighborhoods. Without these protections, our communities will suffer while wealthy developers pay to break the rules meant to protect our health. **OBBB sells our environment to the highest bidder.** (15)
- g. **OBBB funds inhumane attacks on undocumented immigrants.** The OBBB includes more than \$170 billion over four years for immigration and border security. (16)
- The law tripled ICE’s annual budget, giving it “more than the annual expenditures on police by state and local governments in all 50 states and the District of Columbia combined,” according to Margy O’Herron of the Brennan Center, a nonpartisan pro-democracy law and policy institute. (16)
 - The bill adds billions of dollars to border enforcement, but the largest percentage increase goes to finding, arresting, detaining, and deporting immigrants already living in the U.S., most of whom have not committed a crime and many of whom have had lawful status.
 - As we have already seen, the current Republican administration is very willing to deport and imprison people with no due process, which is a clear violation of the Due Process protections in the Fifth Amendment. With a huge increase in enforcement, and no increase in the processes that protect people’s rights, the results are predictable - more violations of basic human rights.

4. Because of the harm it causes, most Americans oppose the OBBB.

Because of all the damage the OBBB does to our country, it is not surprising that it is not popular with Americans. Expect Republicans to stress the few small benefits to working Americans, like "no tax on tips or overtime". But the vast majority of this terrible bill hurts Americans and increases the deficit, while most of the benefits accrue only to the wealthiest among us. **And that truth is not lost on most Americans. As more is revealed about the OBBB, we can expect that its popularity will continue to fall.**

- a. An August 2025 survey by Pew found that 46% of respondents disapproved of the BBB, and only 32% approved. A large portion of respondents, 23%, did not know enough to express an opinion. This indicates how important it is that candidates speak up about the damage the OBBB is doing to our country. (17)
- b. Several other surveys support the fact that the OBBB is unpopular. The American Enterprise Institute (a conservative think tank) summarized the results of three recent surveys from different organizations. As shown in the table below, **all surveys showed strong opposition to the OBBB - even Fox News!** (18)

Surveys about the BBB

(all surveys were taken in Mid-2025)

Poll	% Support	% Oppose
Quinnipiac	27%	53%
KFF	35%	64%
Fox News	38%	59%
Average	33%	59%

[Source: American Enterprise Institute, 7/8/25, "Polling on Trump's Big Bill: How Unpopular Is It?";
https://www.aei.org/op-eds/polling-on-trumps-big-bill-how-unpopular-is-it/](https://www.aei.org/op-eds/polling-on-trumps-big-bill-how-unpopular-is-it/)

The Republicans' One Big Beautiful Bill increases the Federal Deficit, primarily benefits the wealthy, and cuts important support for lower income American families.

We need to elect legislators who will reverse this harmful and costly legislation.

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