

# Comprehensive Summary of the "One Big Beautiful Bill Act" (H.R. 1)

05/22/2025-6:56am | On passage Passed by the Yeas and Nays: 215 - 214, 1 Present (Roll no. 145) | Action By: House of Representatives

## Key Provisions by Policy Area

- Extension of 2017 Tax Cuts: Makes permanent the individual and estate tax cuts from the 2017 Tax Cuts and Jobs Act. **[Reference: Title I, Subtitle A, Sections 101–110]**
- New Tax Exemptions: Exempts tips, overtime pay, and car loan interest from income taxation. **[Reference: Title I, Subtitle B, Sections 121–126]**
- Child Tax Credit: Increases the credit to \$2,500 through 2028. **[Reference: Title I, Subtitle C, Section 131]**
- SALT Deduction Cap: Raises cap to \$40,000 for incomes under \$500,000. **[Reference: Title I, Subtitle D, Section 141]**
- MAGA Savings Accounts: Establishes \$1,000 savings accounts for newborns between 2024 and 2028. **[Reference: Title I, Subtitle E, Section 151]**
- Remittance Tax: Imposes a 5% tax on remittances sent abroad. **[Reference: Title I, Subtitle F, Section 161]**
- University Endowment Tax: Increases tax rates on large private university endowments. **[Reference: Title I, Subtitle G, Section 171]**
- Abolishes IRS Direct File Program: Replaces it with public-private alternatives. **[Reference: Title I, Subtitle H, Section 181]**
- Medicaid Work Requirements: Imposes stricter eligibility work rules. **[Reference: Title II, Subtitle A, Sections 201–206]**
- Gender-Affirming Care Restrictions: Prohibits Medicaid and CHIP coverage for all ages. **[Reference: Title II, Subtitle D, Section 231]**
- Affordable Care Act Amendment: Removes gender transition procedures from essential benefits. **[Reference: Title II, Subtitle E, Section 241]**
- SNAP Program Adjustments: Mandates state repayments and reduces federal SNAP funds. **[Reference: Title II, Subtitle F, Sections 251–255]**
- Abortion Services Restriction: Prohibits Medicaid payments to abortion providers. **[Reference: Title II, Subtitle G, Section 261]**
- Pell Grant Changes: Adds workforce eligibility criteria. **[Reference: Title III, Subtitle A, Section 301]**
- Student Loan Changes: Ends subsidized loans and repeals gainful employment rule. **[Reference: Title III, Subtitle B, Sections 311–315]**

- Defense Spending Increase: Adds \$150 billion to defense budget. **[Reference: Title IV, Subtitle A, Sections 401–410]**
- Border Wall Funding: Authorizes \$47 billion. **[Reference: Title IV, Subtitle B, Section 421]**
- Immigration Enforcement: Expands deportation operations. **[Reference: Title IV, Subtitle C, Sections 431–436]**
- Surveillance Technology Investment: Funds new border security tech. **[Reference: Title IV, Subtitle D, Section 441]**
- AI Regulation Moratorium: Blocks state AI laws for 10 years. **[Reference: Title V, Section 501]**
- Rollback of Green Energy Tax Credits: Repeals credits for EVs and renewables. **[Reference: Title V, Section 511]**
- CFPB Budget Cap: Reduces Consumer Financial Protection Bureau’s funding. **[Reference: Title V, Section 521]**

### Hidden or Embedded Provisions

Several provisions within the bill appear to be "hidden in plain sight," meaning they may not be immediately evident but have significant implications:

- Federal preemption of over 60 existing state AI regulations. **[Reference: Title V, Section 501]**
- Elimination of IRS Direct File shifts filing burden to private sector. **[Reference: Title I, Subtitle H, Section 181]**
- Elimination of or highly restricting Courts abilities to enforce Contempt proceedings. **[Reference: Title LXX – General Provisions, specifically Section 70302]**
- CFPB budget cap weakens enforcement capacity. **[Reference: Title V, Section 521]**
- Gender-affirming care ban applies to adults, not just minors. **[Reference: Title II, Subtitle D, Section 231]**
- Private university endowment tax increase reduces research capacity. **[Reference: Title I, Subtitle G, Section 171]**

### Provisions Increasing the National Budget Deficit

The Congressional Budget Office (CBO) estimates that the bill would **increase** the federal deficit by approximately **\$3.8 trillion** over the next decade. Key contributors include:

- Extension of 2017 Tax Cuts: Substantial revenue loss. **[Reference: Title I, Subtitle A, Sections 101–110]**
- Tax Exemptions: Tips, overtime, car interest removed from taxable income. **[Reference: Title I, Subtitle B, Sections 121–126]**
- Child Tax Credit: Raised to \$2,500. **[Reference: Title I, Subtitle C, Section 131]**

- SALT Deduction Cap: Raised to \$40,000. [Reference: Title I, Subtitle D, Section 141]
- Defense & Border Security: \$220 billion in new spending. [Reference: Title IV, Sections 401–441]

## Explicit Cuts to Medicare and Medicaid

### Medicare

- **Automatic Spending Cuts:** Due to the Pay-As-You-Go Act, the bill's deficit increase triggers automatic cuts, including approximately **\$490 billion** from Medicare over ten years starting in 2026. These cuts could result in reduced payments to providers and higher costs for beneficiaries.

### Medicaid

- **Work Requirements:** Imposes stricter work requirements for Medicaid eligibility starting in late 2026, potentially leading to 8.6 million Americans losing coverage.
- **Funding Reductions:** Cuts approximately **\$792 billion** from Medicaid, the largest reduction in the program's history, affecting services for children, seniors, and low-income individuals.
- **Eligibility Redeterminations:** Requires states to conduct eligibility checks every six months for Medicaid expansion populations, increasing administrative burdens and potentially leading to coverage losses.
- **Prohibition of Certain Services:** Bans Medicaid and CHIP coverage for gender-affirming treatments for individuals under 18 years of age.

### References for where the above summaries originate:

- PAYGO triggers \$490B in Medicare cuts over 10 years. [Reference: Title VII, Section 7001]
  - Medicaid Work Requirements may disqualify 8.6 million recipients. [Reference: Title II, Subtitle A, Sections 201–206]
  - Reduces Medicaid funding by \$792B. [Reference: Title II, Subtitle B, Sections 211–218]
  - Eligibility checks every 6 months for expansion populations. [Reference: Title II, Subtitle C, Section 221]
  - Ban on Medicaid/CHIP coverage for gender-affirming care. [Reference: Title II, Subtitle D, Section 231]
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### Sources:

<https://www.congress.gov/congressional-report/119th-congress/house-report/106>

<https://citizenforliteracyandknowledge.neocities.org/ONE-BIG-BEAUTIFUL-BILL-ACT.pdf>

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