

The One Big Beautiful Bill Act of 2025: A Comprehensive Analysis of a Transformative Legislative Agenda

Executive Summary

On July 4, 2025, President Donald Trump signed into law the One Big Beautiful Bill Act (OBBBA), a sweeping piece of legislation that fundamentally reshapes American fiscal, social, and economic policy.¹ Passed by the 119th Congress through the budget reconciliation process on razor-thin, party-line votes, the OBBBA stands as a capstone achievement of the President's second-term agenda.¹ The law's architecture is built upon a massive net tax reduction of approximately \$4.5 trillion over ten years, driven primarily by the permanent extension of the 2017 Tax Cuts and Jobs Act (TCJA) and the introduction of new, targeted tax breaks.³ These tax cuts are partially offset by over \$1.4 trillion in spending reductions, predominantly from structural changes to Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and federal student loan programs, alongside \$325 billion in new spending on defense and border security.³

The Congressional Budget Office (CBO) and other nonpartisan analysts project the law will increase the federal deficit by \$3.4 trillion over the next decade, a figure that rises to over \$4 trillion when accounting for increased interest on the national debt.³ The legislation's impact extends across nearly every facet of domestic policy. In healthcare, it avoids a direct repeal of the Affordable Care Act (ACA) but imposes stringent new work requirements, administrative burdens, and financing restrictions on Medicaid, which are projected to cause an estimated 10.9 million individuals to lose health insurance coverage.¹ It also allows enhanced ACA premium subsidies to expire, threatening major premium hikes for millions of middle-class families.⁵

In tax policy, the OBBBA makes the TCJA's individual tax cuts permanent while introducing novel, temporary deductions for tip and overtime income, interest on U.S.-assembled car loans, and a bonus deduction for seniors.¹ In social welfare, it expands work requirements for SNAP recipients and shifts financial risk for program errors to the states.² The law also marks a sharp reversal in energy policy,

systematically phasing out clean energy incentives from the Inflation Reduction Act while actively promoting fossil fuel extraction on public lands.¹

The OBBBA was met with unified Democratic opposition and deep public skepticism. Polling indicates that a majority of Americans oppose the bill, believing it will increase the deficit and primarily benefit the wealthy.⁹ Proponents, however, champion the law as a "transformational" package that delivers on promises to cut taxes, secure the border, and stimulate economic growth.¹¹ This report provides a comprehensive analysis of the OBBBA's legislative history, its specific provisions, its fiscal and economic consequences, and the deeply polarized political and public reactions it has generated, contextualizing it as one of the most consequential pieces of domestic legislation in recent American history.

I. The Legislative Gauntlet: Genesis and Passage of a Landmark Bill

The One Big Beautiful Bill Act (OBBBA) was not merely a piece of legislation but the culmination of a distinct political strategy. Its journey through the 119th Congress was a testament to the power of presidential agenda-setting within a unified government, the strategic use of legislative procedure, and the intense partisan polarization that defines contemporary American politics. The bill's passage, achieved by the narrowest of margins, was a high-stakes endeavor from its inception.

Political Origins and Strategic Choices

Following the 2024 elections, which saw the Republican Party secure control of both the House and Senate, the stage was set for the enactment of President Donald Trump's second-term domestic agenda.¹ A central challenge was the impending expiration of the individual tax cuts from the 2017 Tax Cuts and Jobs Act (TCJA) at the end of 2025.³ While Senate Republican leadership initially considered a piecemeal approach—addressing border security, energy, and military spending first and reserving tax policy for later—President Trump advocated for a different path.¹ In a January 2025 meeting, House Speaker Mike Johnson articulated the President's

vision: the desire for "one big, beautiful bill" to consolidate and enact his multifaceted policy goals in a single, decisive legislative push.¹

To achieve this, Republican leadership opted to use the budget reconciliation process. This procedural tool was critical, as it allows certain budget-related legislation to pass the Senate with a simple majority, thereby bypassing the 60-vote filibuster threshold that would have otherwise doomed the bill given the Republicans' narrow Senate majority.¹ However, this strategy came with its own set of constraints, most notably the Byrd Rule, which prohibits the inclusion of "extraneous matter" or provisions that do not produce a change in outlays or revenues. As the bill moved through the Senate, the Parliamentarian invoked this rule to strip out several provisions deemed non-budgetary, including a proposed funding cap on the Consumer Financial Protection Bureau, pay cuts for Federal Reserve staff, and the elimination of the Public Company Accounting Oversight Board.¹ This procedural reality meant the final version of the OBBBA was not the unadulterated agenda of its proponents but one substantively shaped and constrained by the enduring power of Senate rules.

A Perilous Path to Passage

The bill's legislative path was fraught with peril, characterized by unified Democratic opposition and significant internal friction within the Republican party. At every stage, passage hinged on near-perfect party unity, with leaders engaging in intense negotiations to placate competing factions.

The first major hurdle was in the House. The bill initially passed on May 22, 2025, by a razor-thin 215-214 vote.¹ This vote was preceded by a contentious House Budget Committee meeting where fiscally conservative members initially rejected the bill, demanding stricter measures such as accelerating the implementation of Medicaid work requirements before allowing it to advance.¹

The legislation then moved to the Senate, where the Republican majority was even slimmer. The bill faced pressure from fiscal conservatives seeking deeper spending cuts and from moderates concerned about the extent of the Medicaid cuts and the rollback of green energy tax credits.¹ After a marathon "vote-a-rama" session that lasted over 24 hours and involved an unlimited number of amendments, the Senate passed its amended version of the bill on July 1, 2025, with a 51-50 vote. The tie was broken by Vice President JD Vance.¹ All Senate Democrats, along with three

Republicans—Rand Paul, Thom Tillis, and Susan Collins—voted against it.¹

The amended bill returned to the House for a final vote. A crucial compromise had been struck to secure the votes of several Republican representatives from high-tax states like New York, New Jersey, and California. This deal involved temporarily increasing the cap on the state and local tax (SALT) deduction, a major priority for their constituents.¹ After another procedural showdown that included the longest vote in House history, the House passed the final Senate version on July 3, 2025, by a vote of 218–214.¹ The bill passed with near-unanimous Republican support, a remarkable display of party discipline given the internal divisions over its fiscal impact.¹⁴ This outcome demonstrates how a president's signature legislative priority can become a powerful unifying force, making opposition politically untenable for most members of the governing party, even those with significant reservations.¹⁴ President Trump officially signed the One Big Beautiful Bill Act, Public Law 119–21, into law on July 4, 2025.²

II. The Fiscal Architecture: An Analysis of Costs, Revenues, and Deficits

The One Big Beautiful Bill Act represents one of the most significant fiscal undertakings by the U.S. government in the 21st century. Its complex architecture of tax reductions, spending cuts, and new investments will reshape the nation's fiscal trajectory for years to come. A thorough analysis reveals a law designed to deliver massive tax relief, financed through a combination of structural changes to social programs and a substantial increase in the national debt.

Top-Line Economic Projections

According to consensus estimates from nonpartisan bodies like the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT), the OBBBA is projected to increase the federal budget deficit by **\$3.4 trillion** over the 10-year budget window from fiscal year 2025 to 2034.³ When the additional interest costs on the newly issued debt are factored in, the total cost to the federal government is

projected to exceed

\$4.1 trillion.³ This makes the OBBBA the most expensive law enacted since the American Taxpayer Relief Act of 2012.³

This net deficit impact is the result of three countervailing fiscal forces ³:

1. **Tax Revenue Reduction:** A net decrease in federal revenues of approximately **\$4.5 trillion**.
2. **Spending Reductions:** A decrease in federal outlays of approximately **\$1.4 trillion**.
3. **Spending Increases:** An increase in federal outlays of **\$325 billion**.

Composition of Fiscal Changes

The headline numbers mask a sweeping reallocation of federal resources. The bill's fiscal structure is defined by the sheer scale of its tax cuts, which are only partially offset by its spending reductions.

Making just seven major individual and business tax provisions from the 2017 TCJA permanent accounts for more than the entire net cost of the law, contributing a **\$3.7 trillion** increase to the deficit.³ The largest of these extensions are the lower individual income tax rates (

+2.2trillion)andthedoubledstandarddeduction(+1.4 trillion).³ Additional new tax cuts—including full expensing for business investment (

+646billion)andthetemporarydeductionsfortips,overtime,carloans,andseniors(+245 billion)—add more than \$800 billion to the total cost.³

On the spending side, the law enacts significant cuts to social safety net programs. The most substantial savings come from reforms to Medicaid, which are projected to reduce federal spending by **\$917 billion** over ten years.³ Reforms to the Supplemental Nutrition Assistance Program (SNAP) and federal student loan programs are projected to save an additional

\$187 billion and **\$320 billion**, respectively.³ These savings are counteracted by new spending priorities, including

\$150 billion in additional funding for the military and **\$175 billion** for enhanced immigration enforcement and border security measures.¹

Table 1: 10-Year Fiscal Impact of the OBBBA by Major Provision (FY2025-2034)
(+ increases deficits, – decreases deficits)

Provision Category	Specific Provision	10-Year Deficit Impact (in billions of USD)
TCJA Extensions	Lower individual income tax rates	+\$2,200
	Doubled standard deduction	+\$1,400
	Alternative minimum tax relief	+\$1,400
	Doubled Child Tax Credit	+\$881
	20% pass-through deduction	+\$737
	State and local tax (SALT) deduction cap	-\$946
	Repeal of personal exemptions	-\$1,900
	<i>Subtotal, Major TCJA Extensions</i>	+\$3,772
Other Tax Changes	Full expensing for equipment/R&D & expanded business interest deductions	+\$646
	No tax on tips, overtime, auto loan interest, plus senior deduction	+\$245
	Estate tax relief	+\$212
	Inflation Reduction Act clean energy rollbacks	-\$543

	Premium tax credit eligibility restrictions	-\$185
	All other revenue pay-fors	-\$449
	All other tax cuts	+\$881
	<i>Subtotal, Other Tax Changes</i>	+\$807
Spending Changes	Increased immigration enforcement and border security	+\$175
	Increased military spending	+\$150
	Medicaid reforms	-\$917
	Student loan reforms	-\$320
	SNAP reforms	-\$187
	All other spending changes	+\$8
	<i>Subtotal, Spending Changes</i>	-\$1,091
Net Deficit Impact		+\$3,488
Interest on Debt		+\$700+
Total Cost with Interest		~\$4,188+

Source: Data compiled from Bipartisan Policy Center analysis.³ Figures are estimates and may not sum perfectly due to rounding.

The Deficit Debate and Economic Impact

The debate over the OBBBA's fiscal impact is complicated by the choice of baseline.

Official scores from the CBO and JCT use a "current law" baseline, which assumes that the TCJA tax cuts would expire as scheduled on December 31, 2025. Under this standard and most transparent methodology, the OBBBA is a massive, debt-financed tax cut.³ Proponents of the bill, however, have at times argued from a "current policy" baseline, which assumes the TCJA extensions were inevitable. By this logic, they claim the OBBBA actually

reduces deficits by approximately \$400 billion, as the \$1.4 trillion in spending cuts more than pays for the roughly \$800 billion in new tax cuts beyond the TCJA extensions.³ Most independent analysts reject this framing, arguing that a legislative decision to prevent taxes from rising is, by definition, a policy choice that increases the deficit relative to the law on the books.³

Furthermore, a "dynamic score" of the House version of the bill conducted by the CBO found that the legislation would likely increase deficits even more than the static score suggests. The analysis concluded that the negative economic drag created by higher levels of government debt would ultimately outweigh the positive economic growth effects spurred by the tax cuts.³

The very structure of the bill's tax provisions reveals a deliberate legislative strategy. The most high-profile, populist tax cuts—for tips, overtime, seniors, and car loans—are all temporary and set to expire after 2028.¹ In contrast, the extensions of TCJA provisions, which disproportionately benefit corporations and higher-income individuals, are made permanent.⁷ This design keeps the official 10-year cost lower than it would otherwise be, while creating a future "fiscal cliff." A future Congress and president will face immense political pressure to extend these popular but expensive temporary provisions, lest they be blamed for a tax hike on millions of working families. Making these temporary cuts permanent would add another \$800 billion to the 10-year deficit, suggesting the bill's true intended cost is closer to \$5 trillion with interest.³ This structure points to a fundamental and permanent shift in fiscal priorities: a massive reallocation of federal resources away from the social safety net and toward broad-based tax reduction and increased spending on national and border security.

III. Reshaping the American Tax Code

The One Big Beautiful Bill Act enacts one of the most substantial revisions of the U.S.

tax code since the Tax Cuts and Jobs Act of 2017. It functions as both a successor to the TCJA—making many of its signature provisions permanent—and as an innovator, introducing a suite of new, often temporary, tax policies aimed at specific constituencies. The law's tax provisions span individual, business, and international domains, reflecting a comprehensive effort to embed a specific fiscal philosophy into federal law.

A. Individual Taxation: Permanence and Innovation

The cornerstone of the OBBBA's tax policy is the permanent extension of the TCJA's individual tax provisions, averting a significant tax increase scheduled for 2026.⁷ Key permanent changes include:

- **Individual Income Tax Rates:** The seven-bracket structure, with rates ranging from 10% to a top rate of 37%, is made permanent.⁷
- **Standard Deduction:** The nearly doubled standard deduction introduced by the TCJA is made permanent and further increased to \$15,750 for single filers and \$31,500 for joint filers in 2025, with an additional permanent increase of \$750 (single) / \$1,500 (joint).¹⁹
- **Child Tax Credit (CTC):** The CTC is permanently set at a higher level than its pre-TCJA value and is increased from \$2,000 to \$2,200 per child, indexed to inflation.¹ The refundable portion remains capped at \$1,400, indexed for inflation.¹⁹
- **Estate Tax Exemption:** The significantly higher estate and gift tax exemption is made permanent and further increased, rising to \$15 million for individuals and \$30 million for married couples in 2026.³
- **Alternative Minimum Tax (AMT):** The increased AMT exemption and phase-out thresholds from the TCJA are made permanent.¹⁹
- **Mortgage Interest Deduction:** The TCJA's \$750,000 cap on mortgage debt for which interest can be deducted is made permanent, preventing it from reverting to the previous \$1 million cap.⁷

Alongside these permanent extensions, the OBBBA introduces a series of novel, but temporary, tax deductions targeted at working- and middle-class voters. These provisions are effective for tax years 2025 through 2028¹:

- **"No Tax on Tips":** Creates a new above-the-line deduction for qualified tip income, capped at \$25,000 per year. The deduction is available to both itemizers

and non-itemizers but phases out for individuals with a modified adjusted gross income (MAGI) over \$150,000 (\$300,000 for joint filers).⁴ The Treasury Department is mandated to publish a list of eligible occupations that "customarily and regularly received tips" prior to 2025.⁴

- **"No Tax on Overtime":** Establishes a new deduction for the premium portion of overtime pay (the "half" in "time-and-a-half") required under the Fair Labor Standards Act. The deduction is capped at \$12,500 for single filers and \$25,000 for joint filers, with the same income phase-outs as the tips deduction.¹
- **"No Tax on Car Loan Interest":** Allows a deduction of up to \$10,000 per year in interest paid on a loan for a new vehicle that underwent final assembly in the United States. This deduction phases out for taxpayers with MAGI over \$100,000 (\$200,000 for joint filers).¹
- **"Bonus" Senior Deduction:** Provides an additional deduction of \$6,000 for individuals aged 65 and older (\$12,000 for a qualifying married couple). This is in addition to the existing additional standard deduction for seniors and phases out for those with MAGI over \$75,000 (\$150,000 for joint filers).¹⁶

A significant compromise necessary for the bill's passage was the temporary increase of the **State and Local Tax (SALT) deduction cap**. The \$10,000 cap established by the TCJA is raised to \$40,000 for taxpayers with incomes below \$500,000. The cap will increase slightly each year through 2029 before reverting to \$10,000 in 2030.¹

The bill also introduces new mechanisms for savings and education:

- **"Trump Accounts":** Creates tax-exempt trust accounts for children under 18. For children born between 2025 and 2028, the federal government will make a one-time deposit of \$1,000 into the account. Parents can contribute up to \$5,000 annually, and the funds can be used tax-deferred for higher education, job training, or a down payment on a first home.¹
- **529 Plan Expansion:** Expands the use of 529 savings plans to cover up to \$20,000 annually in K-12 expenses, including tutoring, testing fees, and educational therapy.¹⁹
- **Federal School Vouchers:** Establishes a new federal tax credit of up to \$1,700 for individuals who donate to scholarship-granting organizations, which then provide funds for students to attend private or religious schools.⁸

Table 2: Key Individual Tax Provisions in the OBBBA: Permanent vs. Temporary

Provision	Details	Status
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Permanent Changes (Extensions of TCJA)		
Individual Income Tax Rates	Retains 7-bracket structure with top rate of 37%.	Permanent
Standard Deduction	TCJA's doubled deduction made permanent and increased.	Permanent
Child Tax Credit (CTC)	Increased to \$2,200 per child, indexed to inflation.	Permanent
Estate & Gift Tax Exemption	Increased to \$15M (single) / \$30M (joint) in 2026, indexed to inflation.	Permanent
Mortgage Interest Deduction	\$750,000 debt limit made permanent.	Permanent
Temporary Changes (New Policies, 2025-2028)		
"No Tax on Tips" Deduction	Up to \$25,000 deduction for qualified tip income. Phases out at \$150k/\$300k MAGI.	Temporary (Expires 12/31/2028)
"No Tax on Overtime" Deduction	Up to \$12.5k/\$25k deduction for qualified overtime pay. Phases out at \$150k/\$300k MAGI.	Temporary (Expires 12/31/2028)
"No Tax on Car Loan Interest" Deduction	Up to \$10,000 deduction for interest on new, U.S.-assembled car loans. Phases out at \$100k/\$200k MAGI.	Temporary (Expires 12/31/2028)
"Bonus" Senior Deduction	Additional \$6,000/\$12,000 deduction for those age 65+. Phases out at \$75k/\$150k MAGI.	Temporary (Expires 12/31/2028)

SALT Deduction Cap Increase	Cap raised from \$10,000 to \$40,000 (with annual increases). Phases out at \$500k MAGI.	Temporary (Reverts to \$10,000 on 1/1/2030)
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Source: Data compiled from various sources.¹

B. Business and International Taxation

The OBBBA makes several significant and permanent changes to business taxation, largely aimed at encouraging domestic investment and simplifying certain TCJA provisions.

- **Pass-Through Deduction (Section 199A):** The 20% deduction for qualified business income (QBI) earned by pass-through entities (like sole proprietorships, partnerships, and S-corporations) is made permanent. The bill also increases the income threshold for the deduction's phase-in.¹⁷
- **Bonus Depreciation and R&D Expensing:** The law makes permanent 100% first-year bonus depreciation for investments in qualified property and restores immediate expensing for domestic research and development (R&D) expenditures. These provisions are considered by many economists to be powerful incentives for capital investment.³
- **International Tax Framework:** The OBBBA makes permanent but modifies the international tax system created by the TCJA. The Base-Erosion and Anti-Abuse Tax (BEAT) rate is increased slightly to 10.5% and made permanent.¹⁹ The effective tax rates on Global Intangible Low-Taxed Income (GILTI) and Foreign-Derived Intangible Income (FDII) are increased by reducing the associated deductions.¹⁹ These adjustments signal an ongoing effort to fine-tune the balance between competitiveness and preventing profit shifting by multinational corporations.

The legislation also includes targeted levies that use the tax code to advance specific policy goals. A new tiered excise tax is imposed on large private university endowments, with a top rate of 8% for the wealthiest institutions, a move seen as targeting elite universities.¹ A new 1% tax is also established on remittances sent abroad by individuals in the U.S., a policy aimed at immigrants.¹

The design of these tax provisions reveals a dual purpose. On one hand, the bill aims to achieve fiscal goals of lowering tax burdens to stimulate investment. On the other, it clearly uses the tax code as a tool to enact social and cultural policy. The creation of a federal school voucher program via tax credits, the incentive for buying U.S.-assembled cars, and the punitive taxes on university endowments and remittances are not primarily about economic efficiency. They are about using the powerful incentives of the tax code to encourage or discourage specific behaviors and to reward or penalize certain groups and institutions, thereby turning tax policy into an instrument of a broader political agenda. Furthermore, while politically popular, the new temporary deductions have drawn criticism, even from conservative-leaning analysts, for being "political gimmicks" that violate the principle of tax neutrality—that equal incomes should be taxed equally.²⁴ A waitress and a retail clerk earning the same income will now have different tax liabilities solely based on the composition of their earnings, a departure from horizontal equity.⁴ These provisions also add significant complexity to the tax code, requiring new IRS rules and new reporting burdens for employers and taxpayers, undermining the long-held goal of tax simplification.²⁴

IV. A Paradigm Shift in U.S. Healthcare Policy

The One Big Beautiful Bill Act engineers a fundamental transformation of the U.S. healthcare system, particularly the Medicaid program. Moving past the "repeal and replace" framework that failed in 2017, the OBBBA adopts a different strategy: it leaves the legislative architecture of the Affordable Care Act (ACA) largely intact but systematically weakens its foundation through a combination of stringent new eligibility rules, restructured state financing mechanisms, and increased administrative burdens. The cumulative effect of these changes is projected to be profound, leading to significant coverage losses, increased financial pressure on states and providers, and a paradigm shift in the nature of America's public health insurance programs.

A. The Transformation of Medicaid

The law's most significant healthcare provisions are focused on reshaping Medicaid from a broad-based entitlement into a more conditional, work-based program, while simultaneously constraining the ability of states to finance it.

Work and Community Engagement Requirements: The OBBBA establishes a federal mandate requiring able-bodied adults aged 19–64 to document at least 80 hours per month of work, community service, job training, or schooling to maintain Medicaid eligibility.² While exemptions are provided for pregnant women, individuals with certified serious medical conditions, and primary caregivers for children under 13 or individuals with disabilities, this provision is the primary driver of the law's projected coverage losses.² The Congressional Budget Office estimates that this requirement, combined with other administrative changes, will cause between 10.9 and 11.8 million people to become uninsured over the next decade.¹ Evidence from a similar experiment in Arkansas in 2018 suggests that the majority of coverage losses stem not from a failure to meet the work threshold—as most Medicaid recipients already work if they are able—but from the inability to navigate the complex reporting requirements and administrative hurdles.²⁵

Restructuring State Financing: The bill fundamentally alters the financial partnership between the federal government and the states for Medicaid, limiting states' ability to fund their share of the program and draw down federal matching dollars.

- **Provider Tax Limits:** For the 40+ states that have expanded Medicaid, the law phases down the allowable "safe harbor" threshold for provider taxes—a key financing mechanism—from the current 6% of net patient revenue to 3.5% by fiscal year 2028.² It also bans the creation of any new provider taxes.² While taxes on nursing homes are exempt from this phase-down, the overall provision curtails a critical tool states use to finance their health systems.²
- **State Directed Payment (SDP) Caps:** The law caps SDPs, which states use to supplement Medicaid payment rates to providers, at 100% of what Medicare would pay in expansion states and 110% in non-expansion states.² Since many states use SDPs to raise reimbursement rates above Medicare levels to ensure provider participation, this cap is expected to lead to lower payments and could threaten access to care.²⁸

New Barriers to Eligibility and Coverage: Beyond work requirements, the OBBBA introduces a suite of new administrative barriers designed to tighten eligibility.

- **Increased Eligibility Checks:** States are now mandated to verify the eligibility of Medicaid expansion enrollees every six months, rather than the previous standard

of once a year.⁸ This doubles the administrative burden and increases the risk that eligible individuals will lose coverage due to missed paperwork or other procedural errors.²⁵

- **Mandatory Cost Sharing:** States are required to impose cost-sharing of up to \$35 per service for some adults in the expansion population.² Although primary care, mental health services, and services at Federally Qualified Health Centers (FQHCs) are exempt, these new costs can deter low-income individuals from seeking necessary care.²
- **Limits on Retroactive and Immigrant Coverage:** The period for which Medicaid can retroactively cover medical bills incurred before an application is approved is shortened from 90 days to as little as one month.² Furthermore, the law cancels Medicaid eligibility for several categories of lawfully present non-citizens, including refugees and asylees, and reduces federal matching funds for states that choose to cover other immigrant populations with their own funds.²

B. Impact on the ACA and Broader Health System

The OBBBA's influence extends beyond Medicaid to the ACA marketplaces and the wider healthcare ecosystem.

ACA Marketplace Instability: A critical, and perhaps less visible, impact of the law is its *failure* to extend the enhanced premium tax credits for ACA marketplace plans, which were enacted in the American Rescue Plan and are set to expire at the end of 2025.⁵ This legislative omission will function as an automatic, massive premium increase for millions of middle-class individuals and families who purchase their own insurance. For example, a family of three earning \$110,000 could see their monthly premiums nearly double.⁶ This "premium cliff" is expected to destabilize the individual market, as younger, healthier people are priced out, leaving a sicker, more expensive risk pool behind.⁶

Defunding of Reproductive Health Providers: The law includes a provision that prohibits Medicaid beneficiaries from using their coverage at healthcare providers, such as Planned Parenthood, that also offer abortion services and receive a certain threshold of Medicaid funding.⁸ This is projected to force the closure of nearly 200 health centers, over half of which are in medically underserved areas, and could cause over a million patients to lose access to a wide range of services, including

contraception, cancer screenings, and STI testing.⁸

New Investments and Priorities: In a move that creates a starkly bifurcated policy, the bill simultaneously enacts measures that will strain most hospitals while also creating a large, targeted fund to support a specific subset of providers. The OBBBA establishes a **\$50 billion Rural Health Transformation Program** to be distributed to states over five years, an effort to shore up financially vulnerable rural hospitals.² For the long-term care industry, the bill provides a major victory by placing a 10-year moratorium on the implementation of a federal nursing home staffing mandate.²⁷

The intricate design of these healthcare provisions reveals a sophisticated legislative strategy. Rather than pursue a politically fraught direct repeal of the ACA, the OBBBA achieves conservative goals of shrinking public health programs through what can be termed "devolution by administrative burden." By imposing a complex web of unfunded mandates, reporting requirements, and financial penalties on states and individuals, the law creates powerful incentives to restrict enrollment and coverage. The result is a system where millions are expected to become uninsured not because they are statutorily ineligible, but because they or their state's administrative systems fail to navigate the newly erected bureaucratic maze. This approach represents a more subtle, yet arguably just as effective, method of achieving long-standing conservative policy aims in healthcare.

V. Reforming Social Welfare, Education, and Federal Spending

The transformative scope of the One Big Beautiful Bill Act extends well beyond taxes and healthcare, enacting significant reforms in other core areas of the federal government's role, including nutrition assistance, higher education, and national security spending. Across these diverse domains, the legislation applies a consistent philosophy: tightening eligibility for social benefits, strengthening work requirements, and reallocating federal resources away from domestic programs and toward defense and border security.

A. Supplemental Nutrition Assistance Program (SNAP)

The OBBBA imposes some of the most substantial changes to the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps, in decades. The reforms are projected to cause an estimated 22 million families to lose some or all of their benefits.⁸

- **Expanded Work Requirements:** The law expands the existing work requirements for able-bodied adults without dependents, raising the age of applicability from 55 to 65. It also removes exemptions for certain populations, such as youth aging out of the foster care system, and newly requires work from caregivers of children aged 14 or older.⁸ The mandate is set at a minimum of 80 hours per month of work or qualifying activities.¹ Furthermore, the law restricts the ability of states to waive these requirements in areas with high unemployment.⁸
- **State Cost-Sharing for Errors:** In a significant shift of financial risk, the law mandates that states with a SNAP payment error rate exceeding 6% will be required to cover a portion of the benefit costs themselves, ranging from 5% to 15%.² This creates a strong financial incentive for states to implement stricter verification processes, which could lead to eligible families being denied benefits due to administrative complexity.⁸
- **Benefit Calculation and Funding Cuts:** The law limits future increases in the Thrifty Food Plan—the basis for calculating SNAP benefit amounts—to adjustments for inflation only. This prevents the plan from being updated to reflect changes in dietary guidelines or the actual cost of a healthy diet, effectively locking in lower benefit levels over time.⁸ In total, the bill is projected to reduce federal spending on nutrition programs by \$186 billion between 2025 and 2034.¹

B. Higher Education and Student Loans

The OBBBA also overhauls aspects of the federal student loan system, generally making it less generous for graduate and professional students.

- **New Loan Limits:** The law establishes new, lower lifetime borrowing caps for federal student loans. It limits graduate students to a total of \$100,000 and students in professional degree programs (like law or medicine) to \$200,000. This change effectively eliminates the Graduate PLUS loan program, which previously allowed students to borrow up to the full cost of attendance.¹
- **Restructuring Repayment Plans:** For new borrowers, the bill eliminates the existing suite of income-driven repayment plans and replaces them with a single,

new Repayment Assistance Plan (RAP). This new plan is generally less generous than some of the plans it replaces, potentially leading to higher monthly payments for future borrowers.³¹

C. New Spending Priorities: Defense and Border Security

While the OBBBA enacts deep cuts in social welfare programs, it simultaneously allocates massive new funding for defense and immigration enforcement, making the bill's "guns and butter" trade-off explicit.

- **Defense Spending:** The legislation provides an additional **\$150 billion** in defense spending above baseline levels. This funding is targeted toward specific priorities, including \$29 billion for shipbuilding, \$25 billion for a "Golden Dome" missile defense system, \$25 billion for munitions production, and \$16 billion for military innovation and artificial intelligence.¹
- **Border Security and Immigration Enforcement:** The law directs an unprecedented **\$170 to \$175 billion** in new funding toward border security and immigration enforcement.¹ This historic investment is intended to create the capacity to deport up to one million people annually and would make Immigration and Customs Enforcement (ICE) the most well-funded federal law enforcement agency.¹ Key allocations include:
 - \$46.5 billion for construction of a border wall.
 - \$45 billion to fund 100,000 new migrant detention beds.
 - \$29.9 billion to hire 10,000 new ICE agents and cover deportation costs.
 - \$17.3 billion to reimburse state and local law enforcement for their role in immigration enforcement.¹
- **New Immigration Fees:** To further fund these efforts, the bill establishes new fees on the immigration system itself, including a \$100 annual fee for asylum applications and a \$550 fee for employment authorization for asylum seekers.¹

The consistent application of certain principles across these disparate policy areas reveals a coherent governing philosophy. The law consistently ties access to public benefits, whether in healthcare or nutrition, to work requirements and strict compliance with administrative rules, creating a clear framework of "deservingness." This represents a significant shift away from the conception of these programs as broad-based safety nets. At the same time, the fiscal structure of the bill makes the classic trade-off between domestic social spending and defense/security spending

starkly clear. The scale of the cuts to programs like Medicaid and SNAP is mirrored by the scale of the increases for the military and ICE, representing a direct legislative expression of a fundamental shift in national priorities.

VI. Energy and Environmental Policy Reversal

The One Big Beautiful Bill Act marks a sharp and decisive reversal of the U.S. government's approach to energy and environmental policy. It systematically dismantles the clean energy incentive structure of the Biden-era Inflation Reduction Act (IRA) and simultaneously enacts new measures to actively promote the fossil fuel industry. This represents not just a policy change but a long-term economic bet on legacy energy sources over the growing global renewable energy sector.

Dismantling the Inflation Reduction Act (IRA)

A core component of the OBBBA is the rollback of numerous tax credits and programs from the IRA, which had been designed to accelerate the nation's transition to a clean energy economy.¹

- **Electric Vehicles (EVs):** The bill rapidly phases out consumer tax credits for the purchase of new electric vehicles, with the credits eliminated entirely by September 2025. Tax credits for the installation of EV charging infrastructure are similarly set to expire by June 2026.¹
- **Renewable Energy Generation:** Tax credits for the construction of new wind and solar power projects are curtailed. Projects can only qualify for the credits if construction begins by mid-2026 or if they are fully operational by the end of 2027, effectively closing the pipeline for future development.¹
- **Methane Emissions:** The bill postpones the implementation of fees on methane emissions from oil and gas operations for a full decade, removing a key financial disincentive for releasing the potent greenhouse gas.¹
- **Program Repeals:** The law rescinds unobligated funds from a host of Environmental Protection Agency (EPA) programs established by the IRA, including the \$27 billion Greenhouse Gas Reduction Fund, which was designed to

finance green projects nationwide.⁵

Paradoxically, this dismantling of climate policy serves as a significant "pay-for" within the OBBBA's fiscal structure. The Bipartisan Policy Center estimates that the rollback of these clean energy tax expenditures will reduce the federal deficit by **\$543 billion** over ten years.³ This frames the clean energy transition not as an environmental or economic imperative, but as a budgetary line item that can be cut to help finance other priorities, such as tax reductions and defense spending.

Promoting Fossil Fuels and Resource Extraction

The OBBBA does not merely halt support for renewables; it actively creates new incentives for the fossil fuel industry and other resource extraction activities.

- **Mandated Public Land Leasing:** The law requires the federal government to lease at least 50% of public lands that are sought by private companies for the purpose of oil and gas drilling, mining, or logging.¹
- **Reduced Royalties and New Lease Sales:** It cuts the royalty rates that the petroleum industry must pay to the government for extracting resources from public lands. It also mandates a series of new oil and gas lease sales over the next decade, including four in the ecologically sensitive Arctic National Wildlife Refuge and six in the National Petroleum Reserve-Alaska.¹
- **Coal Leasing:** The bill requires that at least 4 million acres of federal land with known recoverable coal resources be made available for leasing.⁵

This dual approach—simultaneously withdrawing support for clean energy while actively promoting fossil fuels—represents a fundamental strategic choice about the future of the American economy. Critics argue that this policy will undermine U.S. competitiveness in the rapidly growing global markets for green technology and could lead to the loss of up to 1.7 million American jobs in the clean energy sector.³³ By prioritizing the short-term interests of legacy industries, the bill makes a long-term economic wager that the nation's prosperity remains tied to fossil fuels, a direct contradiction to the energy transition policies being pursued by many other major economies.

VII. Political and Public Reception: A Nation Divided

The passage of the One Big Beautiful Bill Act ignited a firestorm of political reaction, exposing the deep ideological chasm in American politics. Proponents hailed it as a landmark achievement, while opponents condemned it as a reckless and regressive piece of legislation. This polarized elite opinion was mirrored in the broader public, where polling revealed widespread skepticism and a stark partisan divide over the law's merits and likely impacts.

Arguments in Support

The White House and its Republican allies in Congress framed the OBBBA as a "transformational legislative win" designed to fulfill key campaign promises and "Make America Great Again".¹¹ Their messaging focused on several core themes:

- **Economic Growth and Tax Relief:** Supporters argued that by making the 2017 tax cuts permanent and providing new relief, the bill would "supercharge our economy" and allow families, small businesses, and farmers to keep more of their hard-earned money.¹¹ The new, temporary deductions for tips and overtime were heavily promoted as direct benefits for working Americans, with the White House providing an online calculator for individuals to estimate their savings.¹⁷
- **National and Border Security:** The massive new investments in defense and immigration enforcement were presented as necessary measures to secure the nation's borders, support law enforcement, and protect American families from chaos and violence.¹²
- **Fiscal Responsibility:** Despite projections of a large increase in the national debt, proponents claimed the bill would "restore the kind of fiscal responsibility" the country needed by cutting wasteful government spending and turning "the tide against out-of-control spending".¹²

This narrative was bolstered by strong endorsements from a wide range of industry and interest groups. Business organizations like the Business Roundtable and the National Federation of Independent Business (NFIB) praised the permanent extension of the Section 199A pass-through deduction and 100% bonus depreciation.¹⁷ The National Border Patrol Council lauded the "once in a generation investment" in border security, while defense contractors like Lockheed Martin commended the bill for

strengthening national security.³⁴ Agricultural groups and associations for mature citizens (AMAC) also voiced strong support for the bill's targeted provisions.³⁴

Arguments in Opposition

Opponents, led by a unified Democratic party and a coalition of progressive think tanks, healthcare advocates, and social welfare organizations, mounted a fierce critique of the OBBBA. They described it as a "radical budget" that enacts the "largest-ever cuts to basic needs programs in U.S. history in order to fund tax cuts for the ultrawealthy".⁵ Their arguments centered on:

- **Regressive Fiscal Policy:** Critics argued the bill would create the "largest upward transfer of wealth from the poor to the rich in American history," exacerbating inequality and adding trillions to the national debt.¹ Analysis from the Institute on Taxation and Economic Policy projected that the top 5% of earners would receive over 45% of the tax cuts, while the bottom 20% would receive less than 1%.⁸
- **Devastating Social Impact:** The projected loss of health insurance for nearly 11 million people due to the Medicaid changes was a central point of condemnation.¹ Opponents warned of destabilized primary care, hospital closures, and increased costs for families.³¹
- **Reckless Immigration Policy:** The massive funding increase for ICE was decried as a move to "supercharge lawlessness" and create a massive "deportation force" that would operate without accountability.³⁵
- **Economic and Environmental Damage:** Critics contended that the bill's rollback of clean energy incentives and its bet on fossil fuels would undermine long-term U.S. economic competitiveness and harm the environment.³³

Public Opinion Analysis

Polling data from a variety of respected sources consistently showed that the OBBBA was broadly unpopular with the American public, despite the administration's efforts to frame it as a pro-worker bill.

- **Opposition Outweighs Support:** A Pew Research Center survey conducted

before the bill's final passage found that 49% of Americans opposed it, while only 29% were in favor.⁹ After the bill was signed into law, a YouGov/Economist poll found opposition had grown, with 53% opposing the law and only 35% supporting it.¹⁰ Other polls from Quinnipiac and Fox News found opposition at 55% and 59%, respectively.¹⁰

- **Perceived Impact:** The public's perception of the bill's effects aligned closely with the arguments of its critics. A majority of Americans believed the bill would have a negative effect on the country (54%) and on them and their families personally (47%).⁹ A majority also believed it would increase the budget deficit (52%) and that its benefits would flow primarily to high-income people (55%), while hurting both lower-income (59%) and middle-income people (51%).⁹
- **Deep Partisan Divide:** Public opinion on the bill was intensely polarized. An overwhelming majority of Democrats (80%) opposed the legislation, with two-thirds saying they *strongly* opposed it. In contrast, a smaller majority of Republicans (56%) favored the bill, with only a quarter saying they *strongly* favored it.⁹

This data reveals a stark disconnect between the political messaging surrounding the OBBBA and its public reception. The administration's focus on the temporary, populist tax breaks for tips and overtime failed to convince the broader public that the bill was designed for their benefit. Instead, the public's perception was more aligned with the structural reality of the legislation as analyzed by nonpartisan scorekeepers: a policy that delivered large, permanent benefits to corporations and the wealthy, financed by cuts to social programs and a significant increase in the national debt. The failure of the populist messaging to override the bill's underlying fiscal structure suggests that the public saw through the political salesmanship to the core policy choices being made.

VIII. Comparative Legislative Analysis

To fully comprehend the significance of the One Big Beautiful Bill Act, it is essential to place it within the context of other major legislative efforts of the Trump presidency. By comparing the OBBBA to its most important predecessors—the Tax Cuts and Jobs Act of 2017 (TCJA) and the failed American Health Care Act of 2017 (AHCA)—the evolution of Republican policy strategy becomes clear. The OBBBA is not a standalone piece of legislation; it is the culmination and synthesis of the policy goals, and the

legislative lessons learned, from the preceding years.

A. OBBBA vs. The Tax Cuts and Jobs Act of 2017 (TCJA)

The relationship between the OBBBA and the TCJA is one of direct succession and expansion. The OBBBA's foundational purpose in tax policy is to make the TCJA's framework permanent.

- **Continuity and Permanence:** The OBBBA's most significant tax provision is the permanent extension of the TCJA's individual tax cuts, which were set to expire at the end of 2025. This includes the individual rate structure, the doubled standard deduction, the higher child tax credit, and the increased estate tax exemption.³ In this respect, the OBBBA is the vehicle that solidifies the TCJA's changes as an enduring feature of the American tax landscape.
- **Expansion and Innovation:** The OBBBA does not merely extend the TCJA; it builds upon it. It further increases the Child Tax Credit from \$2,000 to \$2,200 and, in a key political compromise, temporarily raises the TCJA's \$10,000 SALT deduction cap to \$40,000.¹ More significantly, it introduces a host of entirely new tax policies not contemplated in the 2017 law, including the temporary deductions for tips, overtime, and car loan interest, the bonus deduction for seniors, and the creation of "Trump Accounts".¹
- **International Tax Reform 2.0:** The TCJA created a new and complex international tax system with the introduction of the GILTI and BEAT regimes. The OBBBA revisits and modifies this system, adjusting rates and rules for both.¹⁹ This indicates that the 2017 reforms were not seen as a final settlement but as a first draft, with the OBBBA serving as the second iteration in an ongoing effort to reshape the U.S. international tax posture.

B. OBBBA vs. The American Health Care Act of 2017 (AHCA)

The comparison between the OBBBA and the failed AHCA is a study in tactical evolution. While both pieces of legislation sought to achieve similar conservative goals in healthcare, they employed fundamentally different strategies.

- **Divergent Strategic Approaches:** The AHCA was a direct, frontal assault on the

Affordable Care Act. Its framework was "repeal and replace." It sought to eliminate the ACA's core components, including the individual and employer mandates and its taxes, and to radically restructure Medicaid financing by converting it to a system of per-capita caps or block grants.³⁶ The OBBBA, having learned from the political failure of this direct approach, adopts a more subtle strategy. It can be described as a policy of "restructure and constrain." It leaves the ACA's legislative scaffolding in place but "whittles away" at its programs by imposing a complex web of new rules: work requirements, stricter state financing limits, increased administrative burdens for states and beneficiaries, and, crucially, allowing the ACA's enhanced premium subsidies to expire through inaction.²⁵

- **Similar Magnitude of Impact:** Despite these different strategies, the projected real-world impacts are remarkably similar. An analysis by the Brookings Institution found that the OBBBA's projected coverage loss of 10.9 million people and its reduction in federal healthcare spending of over \$1.1 trillion are of a comparable magnitude to the House-passed AHCA in 2017. In fact, along some dimensions, the OBBBA's impact is projected to be even larger than the Senate's "skinny repeal" bill that was famously defeated in 2017.³⁹
- **Evolution of Work Requirements:** Both bills championed Medicaid work requirements, but their approach evolved. The AHCA proposed the requirement as a state option, allowing states to decide whether to implement it.²⁶ The OBBBA makes the requirement a federal mandate for a specific subset of the Medicaid population, representing a more aggressive and centralized federal approach to imposing this condition on public benefits.²⁶

This comparative analysis reveals that the OBBBA is the product of an evolution in conservative policy strategy. The failure of the AHCA's high-risk "repeal and replace" model in 2017 taught a crucial lesson. The OBBBA's approach—avoiding politically charged language while using more technical, less visible changes to financing and administration—proved to be a more successful legislative strategy for achieving the same core goals of reduced federal spending and lower enrollment in public health programs. The OBBBA can therefore be seen as the culmination of the Trump-era policy agenda, successfully synthesizing the tax goals of the TCJA and the healthcare goals of the AHCA into a single, comprehensive, and ultimately successful piece of legislation.

Table 3: Comparative Analysis of Healthcare Reform Legislation: ACA, AHCA (2017), and OBBBA (2025)

Policy Dimension	Patient Protection and Affordable Care Act (ACA) (2010)	American Health Care Act (AHCA) (2017 - Failed)	One Big Beautiful Bill Act (OBBBA) (2025 - Enacted)
Overall Strategy	Expand coverage; regulate private markets; expand Medicaid.	"Repeal and Replace"; dismantle ACA architecture; restructure Medicaid.	"Restructure and Constrain"; weaken programs via administrative/financial rules.
Medicaid Expansion	Expanded eligibility to 138% FPL with enhanced federal match (90%+).	Ended enhanced match; "grandfathered" existing enrollees.	Retains expansion but imposes new restrictions (work requirements, cost-sharing, etc.).
Medicaid Financing	Traditional federal-state matching system.	Converted to per-capita caps or state block grants.	Retains matching system but limits state financing tools (provider taxes, SDPs).
Work Requirements	Not included.	Allowed as a state option.	Federally mandated for certain able-bodied adults (80 hours/month).
Individual Mandate	Required individuals to have coverage or pay a penalty.	Repealed penalty; imposed premium surcharge for coverage gaps.	No mandate; allows ACA premium subsidies to expire, increasing costs.
Premium Subsidies	Income-based tax credits for marketplace plans (100-400% FPL).	Replaced with age-based tax credits, less tied to income.	Allows enhanced subsidies to expire (12/31/2025), causing sharp premium hikes.
Projected Coverage Impact	Covered an additional 20-24 million people.	CBO projected 23 million more uninsured by 2026.	CBO projects 10.9 million more uninsured by 2034.

Source: Data compiled from various sources.¹

IX. Synthesis and Concluding Analysis

The One Big Beautiful Bill Act of 2025 is far more than an omnibus tax and spending package; it is a comprehensive re-articulation of the role and priorities of the U.S. federal government. Its passage through the narrowest of margins and its deeply polarized reception underscore its significance as a defining piece of legislation for this political era. By synthesizing its myriad provisions, a clear picture emerges of its projected long-term impacts on American society, its political landscape, and its economic future.

Projected Long-Term Impacts

The law sets the United States on a new course across several critical dimensions:

- **Fiscal Trajectory:** The OBBBA places the nation on a path of significantly higher structural deficits and a faster-growing national debt. Projections that the law will add over \$4 trillion to the debt, including interest, over the next decade raise serious concerns about long-term fiscal sustainability.³ The CBO's dynamic analysis suggests that the economic drag from this increased debt may ultimately outweigh the stimulative effects of the tax cuts, potentially leading to slower long-term growth.³
- **Income and Wealth Inequality:** The bill's fiscal structure is projected to significantly exacerbate economic inequality. By making permanent a tax code that disproportionately benefits corporations and high-income individuals, while simultaneously enacting deep, structural cuts to social programs like Medicaid and SNAP that primarily serve low-income populations, the law facilitates a large-scale upward transfer of wealth.¹
- **The Social Safety Net:** The OBBBA fundamentally alters the nature of the American social safety net. The imposition of stringent work requirements, cost-sharing, and administrative hurdles for Medicaid and SNAP shifts these programs away from being broad-based entitlements and toward a model of conditional, work-support benefits. This redefines the relationship between the citizen and the state, conditioning access to basic necessities on a specific set of behavioral and compliance standards.²

- **Federal-State Relations:** The law imposes significant new administrative and financial burdens on state governments, particularly in the administration of healthcare. The combination of unfunded mandates for eligibility verification and restrictions on traditional financing mechanisms like provider taxes will likely force states to make difficult budgetary choices, potentially leading to a growing divergence in the quality and availability of public services across the country.²⁸

Future Policy Battlegrounds

The OBBBA's legislative design ensures that its provisions will remain at the center of American political debate for years to come. The temporary nature of its most popular tax deductions—for tips, overtime, car loans, and seniors—as well as the temporary increase in the SALT deduction cap, creates a series of "fiscal cliffs" scheduled for 2028 and 2029.¹ The expiration of these provisions will force a political reckoning, compelling a future Congress to either accept a tax increase on millions of working- and middle-class families or make the cuts permanent, thereby adding hundreds of billions more to the national debt. This structure guarantees that the true, long-term cost and composition of the Trump-era tax cuts will be a central battleground in future election cycles and budget negotiations.

Concluding Assessment

In conclusion, the One Big Beautiful Bill Act stands as one of the most consequential pieces of domestic legislation in modern American history. It successfully consolidates the major policy ambitions of the Trump presidency—tax reduction, healthcare restructuring, social welfare reform, and a reorientation of spending toward national security—into a single, comprehensive law. Through its complex architecture of permanent tax cuts, structural changes to social programs, and a stark reallocation of national resources, the OBBBA codifies a distinct and coherent vision for America's fiscal, social, and economic future. It is a vision that deliberately prioritizes lower taxes and a stronger security state over the social welfare and environmental policy framework of the preceding decades. The deep divisions it has created and the profound changes it has set in motion ensure that its legacy will be debated,

contested, and felt across the nation for the foreseeable future.

Appendix

Table 4: Timeline of Key OBBBA Provision Implementation Dates

Date	Provision	Details
July 4, 2025	Bill Enactment	President Trump signs the OBBBA into law. Moratoriums on various CMS rules (e.g., long-term care staffing standards) begin.
Sept 2025	EV Tax Credit Phase-Out	Tax credits for electric vehicles begin to phase out.
Oct 2, 2025	IRS Guidance on Tips	Deadline for IRS to publish a list of occupations eligible for the "No Tax on Tips" deduction.
Jan 1, 2025 (Retroactive)	New Tax Deductions Begin	The temporary deductions for tips, overtime, car loan interest, and the senior bonus deduction become effective for the 2025 tax year.
Dec 31, 2025	Enhanced ACA Subsidies Expire	Enhanced premium tax credits for ACA marketplace plans expire as scheduled; the OBBBA did not extend them.
FY 2026	DSH Payment Reductions Begin	Delayed Disproportionate Share Hospital (DSH) payment reductions begin.
June 2026	EV Charging Credit Expires	Tax credits for EV charging infrastructure expire.

Oct 1, 2026	Immigrant Medicaid Eligibility Canceled	Medicaid eligibility for certain qualified alien humanitarian entrants is canceled.
By Jan 1, 2027	Medicaid Work Requirements	States must begin implementing the 80-hour/month community engagement requirement for applicable Medicaid recipients.
End of 2027	Renewable Energy Credit Deadline	Wind and solar projects must be online to qualify for tax credits.
Jan 1, 2028	Death Master File Verification	States must begin quarterly checks of Medicaid eligibility against the Social Security Death Master File.
FY 2028	Medicaid Provider Tax Phase-Down Begins	For expansion states, the provider tax "safe harbor" begins its annual 0.5% phase-down from 6%.
Oct 1, 2028	Medicaid Cost-Sharing Begins	States must begin imposing cost-sharing of up to \$35 per service on certain Medicaid expansion adults.
Dec 31, 2028	Temporary Tax Deductions Expire	The deductions for tips, overtime, car loan interest, and the bonus senior deduction expire.
Dec 31, 2029	SALT Cap Increase Expires	The temporary increase of the SALT deduction cap to \$40,000+ expires.
Jan 1, 2030	SALT Cap Reverts	The SALT deduction cap reverts to \$10,000.
FY 2032	Medicaid Provider Tax	The provider tax "safe harbor"

	Phase-Down Ends	in expansion states reaches its new permanent level of 3.5%.
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Source: Data compiled from various sources.¹ This timeline is not exhaustive.

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