

H.R.1 - One Big Beautiful Bill Act

119th Congress (2025-2026) |

Sponsor: [Rep. Arrington, Jodey C. \[R-TX-19\]](#) (Introduced 05/20/2025)
Committees: House - Budget
Committee Meetings: [07/01/25 1:30PM](#) [05/21/25 1:00AM](#)
Committee Reports: [H. Rept. 119-106,Book 1](#); [H. Rept. 119-106,Book 2](#)
Latest Action: 07/04/2025 Became Public Law No: 119-21. ([All Actions](#))
Roll Call Votes: There have been [47 roll call votes](#)
Notes: The bill text and summary for the House-passed version have been updated pursuant to [H.Res. 492](#).

Tracker: ⓘ

Introduced > Passed House > Passed Senate >

Resolving Differences > To President > **Became Law**

Summary(4) Text(5) Actions(140) Titles(9) Amendments(493) Cosponsors(0) Committees(1) Rel

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Public Law (07/04/2025)



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Shown Here:
Public Law No: 119-21 (07/04/2025)

This act reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal government.

It is known as a reconciliation bill and includes legislation submitted by several congressional committees pursuant to provisions in the FY2025 congressional budget resolution ([H Con. Res. 14](#)) that directed the committees to submit legislation to the House or Senate Budget Committee that will increase or decrease the deficit and increase the statutory debt limit by specified amounts. (Reconciliation bills are considered by Congress using expedited legislative procedures that prevent a filibuster and restrict amendments in the Senate.)

This title addresses a wide range of Department of Agriculture (USDA) programs, including by changing the Supplemental Nutrition Assistance Program (SNAP) and extending programs authorized by the Agriculture Improvement Act of 2018 (commonly known as the 2018 farm bill).

Subtitle A--Nutrition

(Sec. 10101) This section prohibits USDA from increasing the cost of the Thrifty Food Plan (TFP) based on a reevaluation of the contents of the TFP (i.e., the market basket of goods). Further, any annual adjustment to the cost of the plan must be based on the Consumer Price Index for All Urban Consumers.

As background, USDA created the TFP (the cost of purchasing a nutritionally adequate low-cost diet), which is used to determine maximum monthly benefits under the Supplemental Nutrition Assistance Program (SNAP). USDA calculates the cost of the TFP each year to account for food price inflation. Maximum allotments are set at the monthly cost of the TFP for a four-person family, adjusted for family size. Under a provision of the 2018 farm bill, USDA must reevaluate the market basket of goods every five years based on current food prices, food composition data, consumption patterns, and dietary guidance.

(Sec. 10102) This section increases the work requirements for certain SNAP recipients who are able-bodied adults.

As background, SNAP recipients who are able-bodied adults without dependents (ABAWDs) currently have work-related requirements in addition to the general SNAP work registration and employment and training requirements. SNAP law limits benefits to ABAWDs to 3 months out of a 36-month period, unless the participant meets the additional work-related requirements.

This section raises the age for those who must meet these additional work requirements to include adults who are 65 years old and younger, whereas these requirements currently apply to adults who are 55 years old and younger.

This section requires parents and household members to meet the additional work requirements (similar to someone who does not have a dependent child) if the child is age 14 and older. Currently, those with a child under the age of 18 are exempt from the requirements.

This section excludes from the additional work requirements SNAP recipients who are Indians, Urban Indians, or California Indians (as these terms are defined by the Indian Health Care Improvement Act).

In addition, the section generally requires homeless individuals, veterans, and certain foster care individuals to meet these work requirements. Foster care individuals are those who are 24 years old or younger and were in foster care on the date of attaining 18 years of age or a higher age. Specifically, this section eliminates the current exclusion from the additional work requirements for these individuals based on this status.

Finally, this section limits the ability of a state to temporarily suspend the three-month time limit for SNAP benefits for ABAWDs in areas with high unemployment or an insufficient number of jobs. Under

current law, the ABAWD waiver program allows states to request a temporary waiver of the three-month SNAP benefit limit. States may receive a waiver based on an area having an unemployment rate of over 10% or an insufficient number of jobs.

The section repeals the provision that allows a state waiver if that area does not have a sufficient number of jobs. Further, the section allows Alaska and Hawaii to qualify for the state exemption with an unemployment rate that is at or above 1.5 times the national unemployment rate, effectively lowering the unemployment rate that these states must meet to receive a waiver.

(Sec. 10103) This section generally eliminates the ability of a household to use participation in certain energy assistance programs to determine SNAP income eligibility unless the household includes an elderly or disabled member.

As background, a household may deduct a portion of their housing and utility costs from their income (i.e., the excess shelter expense deduction) when determining SNAP benefits. Under current law, a household that receives a certain level of energy assistance through the Low Income Home Energy Assistance Program (LIHEAP) or a similar energy assistance program may deduct a set allowance. This set allowance (i.e., Standard Utility Allowance or SUA) represents low-income household utility costs in the state or local area. Using this allowance makes qualifying for an excess shelter deduction more likely.

This section eliminates the use of the set allowance for households without elderly or disabled members, which may decrease the availability of the excess shelter deduction and reduce the SNAP benefits for these households.

(Sec. 10104) This section prohibits a household from using any internet connection service fees as part of their housing and utility costs for the purposes of determining the size of household SNAP benefits, thus potentially reducing the SNAP benefits for these households.

As background, a household may deduct a portion of their housing and utility costs from their income (i.e., the excess shelter expense deduction) when determining SNAP benefits. Under current law, household expenses may include internet connection service fees.

(Sec. 10105) This section establishes state-matching fund requirements for the cost of SNAP program allotments beginning in FY2028. The state contribution ranges from 0% to 15% for the cost of SNAP program allotments and is based on the state's SNAP payment error rate. Currently, the state match is 0%.

For FY2028, a state may elect either the FY2025 or FY2026 payment error rate to calculate its state-matching fund requirement. For FY2029 and each fiscal year thereafter, the state match is calculated using the payment error rate for the third fiscal year preceding the fiscal year for which the state share is being calculated.

Any state that has a payment error rate that is less than 6% will have a state match of 0% (i.e., the state does not have to contribute).

A state with a payment error rate that is

- at least 6% but less than 8% must contribute 5%,
- at least 8% but less than 10% must contribute 10%, and
- 10% or greater must contribute 15%.

In general, the effective date for the state-matching fund requirements is the beginning of FY2028. However, any state that has an error rate above a certain level will have implementation delayed until FY2029 or FY2030. Specifically, the implementation date is delayed for states where the state's error rate multiplied by 1.5 equals or exceeds 20% in FY2025 or FY2026. For such states, the implementation date is delayed until FY2029 if specified error rate occurs in FY2025 and until FY2030 if the error rate occurs in FY2026.

(Sec. 10106) This section reduces the amount that USDA may pay a state agency for administrative costs for the operation of SNAP to 25% of all administrative costs beginning in FY2027 and for each fiscal year thereafter. Currently, USDA must pay 50% of all administrative costs, thus this section increases the state share of administrative costs from 50% to 75%.

(Sec. 10107) This section eliminates funding for the SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-ED). SNAP state and local agencies administer this federal grant program. SNAP-Ed uses evidence-based, public health projects and interventions with the goal to implement a nutrition education and obesity prevention program for eligible individuals that promotes healthy food choices and physical activity consistent with the most recent Dietary Guidelines for Americans.

(Sec. 10108) This section eliminates SNAP eligibility for certain individuals who are classified as an alien under federal law and legally present in the United States, including those who have qualified for conditional entry under the asylum and refugee laws or based on urgent humanitarian reasons (e.g., a survivor of domestic violence or human trafficking).

The section maintains SNAP eligibility for individuals who reside in the United States and are (1) U.S. citizens or U.S. nationals; (2) lawful permanent residents, with exceptions; (3) aliens who are Cuban or Haitian entrants; or (4) individuals who are lawfully residing in the United States in accordance with the Compacts of Free Association between the United States and Micronesia, the Marshall Islands, and Palau.

Subtitle B-- Forestry

(Sec. 10201) This section rescinds certain funds provided to the Forest Service as part of the Inflation Reduction Act of 2022. For example, this includes the rescission of funds for

- the protection of old-growth forests on National Forest System land,
- grants for nonfederal forest landowners for climate mitigation or forest resilience practices,
- grants for state and private forestry conservation programs for tree planting, and
- administrative costs for the National Forest System to implement these and other related programs.

Subtitle C--Commodities

This subtitle amends and extends commodity support programs.

For example, the subtitle extends the Price Loss Coverage (PLC) program, the Agricultural Risk Coverage (ARC) program, and Dairy Margin Coverage (DMC) through crop year 2031. It also modifies various requirements for the programs.

(Sec. 10301) This section increases the reference prices for specified commodities under the ARC and PLC programs for crop years 2025 through 2030. This change would increase the likelihood of triggering a payment and increase the payments made to eligible producers when triggered.

Beginning in crop year 2031, USDA must increase the reference price so that it is equal to the reference price in the previous crop year multiplied by 1.005. USDA must continue to increase the reference price using this formula for each crop year after 2031, up to a maximum of 113% of the 2030 reference price.

The ARC and PLC programs, administered by the Farm Service Agency, offer financial assistance to eligible agricultural producers, and the reference prices are used to calculate benefits under the programs. The ARC program is an income support program that provides payments to producers triggered when actual crop revenue declines below a specified guarantee level. The PLC program provides income support payments triggered when the effective price for a covered commodity falls below its effective reference price.

(Sec. 10302) This section grants eligible agricultural producers a one-time option to expand and allocate base acre holdings in proportion to average 2019-2023 plantings of covered and noncovered commodities. In general, the Price Loss Coverage and Agriculture Risk Coverage programs make payments per enrolled base acre (i.e., a unit of production associated with specific tracts of farmland in proportion to historical production of certain crops).

This section allows producers to allocate existing unassigned base acres to a covered commodity. The section limits the total existing unassigned and newly granted base acres to no more than 30 million acres, effectively increasing total base acres nationwide from approximately 274 million to approximately 304 million.

(Sec. 10303) This section requires producers to make an election to obtain ARC or PLC on a covered-commodity-by-covered commodity basis through crop year 2031. For the 2025 crop year, this section requires USDA, on a covered commodity-by-covered commodity basis, to make the higher of PLC payments or ARC county coverage payments to the producers on a farm for the payment acres for each covered commodity on the farm.

(Sec. 10304) This section extends the PLC program through crop year 2031.

(Sec. 10305) This section extends the ARC program through the 2031 crop year. It also increases the coverage guarantee level from 86% to 90% of the benchmark revenue and increases the maximum payment amount from 10% to 12.5% of the benchmark revenue. These changes increase the likelihood of triggering a payment and increase the payments made to eligible producers when triggered.

(Sec. 10306) This section establishes a definition for a qualified pass-through entity, which includes certain partnerships and S corporations (as defined in the Internal Revenue Code) and certain limited liability companies, joint ventures, and general partnerships. It also generally requires these entities to be treated in the same manner as current law treats general partnerships and joint ventures for the purpose of payment limitations. For example, the section replaces an existing exception to payment limitations for joint ventures and general partnerships with an exception for qualified pass-through entities.

(Sec. 10307) This section increases the maximum ARC and PLC payment limit per person from \$125,000 to \$155,000. A producer is eligible to receive up to \$155,000 in peanut payments and up to \$155,000 in payments for all commodities except peanuts (i.e., up to \$310,000 total for all commodities inclusive). USDA must adjust payment limits for inflation annually beginning with the 2025 crop year.

As background, certain payment limits and eligibility criteria apply to multiple farm programs, including ARC, PLC, and certain disaster assistance programs and conservation programs.

(Sec. 10308) This section waives the adjusted gross income (AGI) limitations for payments or benefits under certain USDA disaster assistance and conservation programs for a person or legal entity that derives a portion of their income from agriculture. Specifically, the exception allows producers and business entities whose AGI exceeds \$900,000 to participate in certain disaster assistance and conservation programs if 75% or more of their AGI (i.e., gross income before applying adjustments to calculate the AGI) is derived from eligible agricultural activities.

The eligible activities are farming, ranching, or siculture activities, including agritourism, direct-to-consumer marketing of agricultural products, and the sale of agricultural equipment owned by such person or entity.

(Sec. 10309) This section extends the Marketing Assistance Loan (MAL) program nonrecourse and recourse loans through the 2031 crop year. It also sets MAL rates for crop years 2026-2031. This section also extends Loan Deficiency Payments (LDPs) through the 2031 crop year. The MAL and LDP programs provide price support to producers when market prices drop below statutory levels.

This section also extends the Special Competitive Provisions for Extra Long Staple (ELS) Cotton program. This program makes payments to eligible mills that use ELS cotton and eligible exporters of ELS cotton.

As background, there are two main species of cotton cultivated for commercial use, upland cotton (which comprises 97% of U.S. production) and extra-long staple (ELS) cotton. U.S.-grown ELS cotton is also referred to as Pima cotton.

(Sec. 10310) This section changes how world prices for upland and ELS cotton are calculated for the purpose of repaying MALs.

(Sec. 10311) This section increases the payments to domestic users of upland cotton who participate in the Economic Adjustment Assistance for Textile Mills program. This program makes monthly

payments to eligible domestic cotton mills. The payments must be used for capital investments that contribute to domestic manufacturing of upland cotton.

(Sec. 10312) This section makes several modification to USDA's sugar program. As background, the U.S. sugar program supports the U.S. sugar industry (i.e., producers and processors of sugarcane and sugar beets) by providing Marketing Assistance Loans (MALs) to sugar processors, restricting domestic supply of sugar with marketing allotments for sugar processors, and limiting sugar imports through tariff-rate quotas.

Specifically, this section increases the marketing loan rate for raw sugar cane processors and increases the rate for beet sugar processors for crop years 2025-2031.

This section also increases the storage rates USDA pays to processors for forfeited refined sugar and forfeited raw cane sugar. Under current law, when sugar is used to collateralize a MAL loan and is forfeited by a sugar processor, USDA must provide payments to the processors who store the forfeited sugar.

This section extends the provisions for the flexible marketing allotments for sugar through crop year 2031. In addition, in operating sugar support programs, USDA must prioritize sugar beet processors if marketing allotments are adjusted higher. Additionally, if sugar beet marketing allotments need to be adjusted, USDA must reassign sugar beet marketing allotments within 30 days of the publication of USDA's January World Agricultural Supply and Demand Estimates (WASDE) report.

Finally, USDA must study whether the establishment of additional terms and conditions with respect to refined sugar imports is necessary and appropriate and submit a report to Congress. Based on the study, USDA may issue regulations to establish additional terms and conditions for refined sugar imports.

(Sec. 10313) This section extends Dairy Margin Coverage (DMC) through crop year 2031 and provides for a number of changes to the DMC program.

As background, DMC allows participating milk producers to buy a guaranteed margin for their milk production. The DMC program pays participating producers the difference between a producer-selected guarantee and the national milk margin (all-milk price minus an average feed cost ration). Margin payments are based on producers' milk production history, not actual milk marketings (i.e., quantity of milk sold). Producers pay annual premium rates based on two tiers of production history.

Changes to the program include

- altering how USDA determines production history to remove the consideration of production at the time the dairy operation first registered to participate in the DMC program;
- setting production history for the DMC program as the highest annual milk marketings for participating dairies during calendar year 2021, 2022, or 2023;
- raising the coverage limit to the first 6 million pounds of production history for both Tier I and Tier II premiums, from the first 5 million pounds; and

- allowing producers to receive a 25% premium discount for a one-time premium election covering calendar years 2026-2031.

(Sec. 10314) This section requires USDA to make available specified funds to carry out this subtitle. It also requires USDA to use specified funds to administer a mandatory survey of dairy product manufacturers' production costs and product yield information. USDA must publish the results of the surveys biennially.

Subtitle D--Disaster Assistance Programs

This subtitle expands the types of eligible losses covered under the permanently authorized agricultural disaster assistance programs, which include the Livestock Indemnity Program; the Livestock Forage Disaster Program; the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program; and the Tree Assistance Program. This subtitle also increases coverage levels and lowers the threshold for triggering payments for certain eligible losses.

(Sec. 10401) Under the Livestock Indemnity Program (LIP), this section increases the payment rate to 100%, from 75%, for losses due to predation (i.e., attacks by animals reintroduced into the wild by the federal government or protected by federal law). This section also authorizes USDA to allow eligible producers to submit documentation to assist in determining an animal's market value. Further, the section expands LIP coverage to include unborn livestock as LIP-eligible livestock losses. LIP provides indemnity payments to eligible livestock owners and contract growers for livestock deaths in excess of normal mortality or reduced sales prices due to specified events (e.g., adverse weather, disease, or animal attack).

Under the Livestock Forage Disaster Program (LFP), this section expands the types of eligible drought conditions covered and increases payments for certain eligible drought conditions under the program. The LFP program makes payments to eligible livestock producers who have suffered grazing losses due to drought-affected pastureland or a fire on federally managed rangelands.

Under the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP), this section expands eligible losses to include bird predation of farm-raised fish and adds an eligible loss threshold when determining honey bee colony losses. ELAP provides payments to producers of livestock, honey bees, and farm-raised fish as compensation for losses due to disease, adverse weather, feed or water shortages, or other conditions that are not covered under other programs.

Under the Tree Assistance Program (TAP), this section lowers the eligible normal mortality loss threshold and increases assistance for eligible rehabilitation costs. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes, and vines damaged by natural disasters.

Subtitle E--Crop Insurance

This subtitle increases certain crop insurance premium subsidies and increases additional premium subsidies available for beginning farmers and ranchers. The subtitle also increases coverage levels for Supplemental Coverage Option (i.e., a type of county-level coverage) and Whole Farm Revenue Protection policies, increases support for administrative and operating (A&O) costs incurred by

approved crop insurance providers, and increases funds available for program compliance and integrity.

As background, the Federal Crop Insurance Program (FCIP) offers subsidized crop insurance policies that producers can purchase to cover a wide variety of crops and livestock. These policies pay indemnities for yield and revenue losses caused by adverse growing and market conditions, including natural disasters. The Federal Crop Insurance Corporation (FCIC)—a government corporation within USDA—subsidizes part of the policy premium.

(Sec. 10501) This section increases the premium subsidies available for beginning farmers or ranchers for an applicable insurance policy or plan.

Further, farmers and ranchers are eligible to qualify for the program for 10 years, an increase from 5 years. Specifically, a farmer or rancher must not have actively operated and managed a farm or ranch for more than 10 crop years to be considered a beginning farmer or rancher.

(Sec. 10502) This section expands the maximum coverage level from 85% to 90% for individual yield or revenue coverage aggregated across multiple commodities (e.g., Whole-Farm Revenue Protection policies).

The section also expands the Supplemental Coverage Option (SCO) and increases SCO premium subsidies from 65% to 80%. It also increases the SCO coverage level from 86% to 90%.

(Sec. 10503) This section increases administrative and operating (A&O) subsidies in certain states and years with relatively high losses.

As background, the Federal Crop Insurance Corporation (FCIC) subsidizes part of the policy premium. The policyholders (i.e., farmers and ranchers) pay any remaining premium. Private insurance companies sell and service the policies in return for A&O subsidies from the FCIC.

This section also establishes a minimum A&O reimbursement rate for specialty crop policies each year beginning in the 2026 reinsurance year. The rate must be equal to or greater than the percentage that is the greater of (1) 17% of the premium used to define loss ratio, and (2) the percentage of the premium used to define loss ratio that is otherwise applicable for the reinsurance year under the terms of the Standard Reinsurance Agreement in effect for the reinsurance year.

Finally, beginning with the 2026 reinsurance year, the section requires USDA to annually increase the total A&O reimbursements that would otherwise be required in order to account for inflation.

(Sec. 10504) This section increases certain crop insurance premium subsidies. The increases range from 3% to 5%, depending on the coverage level.

(Sec. 10505) This section increases funding for available information technologies (i.e., data mining and data warehousing) to administer and enforce program compliance and integrity.

(Sec. 10506) This section increases funding for (1) the operations and review of policies, plans of insurance, and related materials; and (2) maintaining program actuarial soundness and financial integrity.

(Sec. 10507) This section provides for the establishment of a Poultry Insurance Pilot Program to provide contract poultry growers with index-based insurance for extreme weather-related risk resulting in increased utility costs associated with poultry production. Under an index policy, claim payments are generally triggered based on a predetermined index that is entirely independent of the individual farm operation (e.g., rainfall level). Under such a policy, the payments are automatically triggered when the index reaches a certain level rather than when an insured farmer files a claim.

Subtitle F--Additional Investments in Rural America

(Sec. 10601) This section rescinds the unobligated funds that were provided for the Agriculture Conservation Easement Program (ACEP), the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), and the Regional Conservation Partnership Program (RCPP) as part of the Inflation Reduction Act of 2022. The section also adds funds to the permanent farm bill baseline for these programs. It also reauthorizes or modifies the funding levels for various other conservation programs.

The section provides the following funding levels for ACEP:

- \$625 million for FY2026,
- \$650 million for FY2027,
- \$675 million for FY2028, and
- \$700 million for each of FY2029-FY2031.

The section provides the following funding levels for EQIP:

- \$2.655 billion for FY2026,
- \$2.855 billion for FY2027, and
- \$3.255 billion for each of FY2028-FY2031.

The section provides the following funding levels for CSP:

- \$1.300 billion for FY2026,
- \$1.325 billion for FY2027,
- \$1.350 billion for FY2028, and
- \$1.375 billion for each of FY2029-FY2031.

The section provides the following funding levels for RCPP:

- \$425 million for FY2026, and
- \$450 million each of FY2027-FY2031.

In addition, this section reauthorizes or modifies the funding levels for the following programs

- Grassroots Source Water Protection Program,
- Voluntary Public Access and Habitat Incentive Program,

- Watershed and Flood Prevention Operations Program, and
- Feral Swine Eradication and Control Pilot Program.

(Sec. 10602) This section directs USDA to carry out a program to encourage the accessibility, development, maintenance, and expansion of commercial export markets for U.S. agricultural commodities. This section also provides \$285 million in mandatory funding for the program for FY2027 and each fiscal year thereafter.

(Sec. 10603) This section extends funding for the Emergency Food Assistance Program (TEFAP) through FY2031. TEFAP provides food commodities (and cash support for storage and distribution costs) through states to local emergency feeding organizations (e.g., food banks). Through TEFAP, USDA purchases a variety of commodities and makes those food products (e.g., canned, frozen, dried, and fresh fruits and vegetables; eggs; meat; dairy; and whole-grain and enriched grain products) available to state distributing agencies.

(Sec. 10604) This section reauthorizes and provides funding for a number of USDA research initiatives.

The section reauthorizes and extends funding through FY2031 for the Urban, Indoor, and other Emerging Agricultural Production Research, Education, and Extension Initiative, a National Institute of Food and Agriculture (NIFA) competitive grant program that supports research, education, and extension activities that facilitate development of urban, indoor, and other emerging agricultural production systems.

The section provides \$37 million for the Foundation for Food and Agriculture Research, a nonprofit corporation established to advance the research mission of USDA by supporting research activities focused on key problems of national and international significance.

The section provides specified funds to the 1890 National Scholars Program for FY2026 for student scholarships. This NIFA program provides grants to 1890 Institutions (i.e., historically Black colleges and universities that belong to the U.S. land-grant university system) for students who intend to pursue a career in the food and agricultural sciences.

The section provides funding for the Assistive Technology Program for Farmers with Disabilities Program (AgrAbility) grant program for FY2026. This NIFA program supports projects that provide agricultural education and assistance to farmers with disabilities and their family members.

This section provides the Specialty Crop Research Initiative with \$175 million in mandatory funding for FY2026. Currently, the program is funded at \$80 million for each fiscal year.

This section also provides funding for competitive grants to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of Agricultural Research Facilities.

(Sec. 10605) This section reauthorizes, and extends funding for, the bioenergy program for advanced biofuels (i.e., Advanced Biofuel Payment Program) through FY2031. The program provides payments to fuel producers to support and expand production of advanced biofuels (i.e., not derived from corn starch).

(Sec. 10606) This section provides additional funding for the Plant Pest and Disease Management Disaster Prevention Program for FY2026 and each fiscal year thereafter.

This section provides additional funding for the Specialty Crop Block Grant Program for FY2026 and each fiscal year thereafter. Under the block grant program, USDA provides grants to the state departments of agriculture to enhance the competitiveness of specialty crops (i.e., fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops, including floriculture).

The section also reauthorizes, and extends funding for, organic production and market data initiatives through FY2031.

This section reauthorizes, and extends funding through FY2026, for USDA to carry out the modernization and improvement of international trade technology systems and data collection on imports of organically produced agricultural products accepted into the United States.

The section also reauthorizes through FY2031 the Organic Certification Cost Share Program, which provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program.

This section reauthorizes, and extends funding through FY2026, for the multiple crop and pesticide use survey of farmers. The USDA Office of Pest Management Policy conducts this survey to collect data for risk assessment modeling and mitigation for an active ingredient.

(Sec. 10607) This section increases mandatory funding for the National Animal Health Laboratory Network from \$30 million per fiscal year to

- \$233 million for each of FY2026-FY2030, and
- \$75 million for FY2031 and each fiscal year thereafter.

Specific increases in funding are provided for the National Animal Disease Preparedness and Response Program and the National Animal Vaccine and Veterinary Countermeasures Bank.

This section extends and increases funding for the Sheep Production & Marketing Grant Program through FY2026. This program seeks to strengthen and enhance the production and marketing of sheep and sheep products in the United States.

This section also extends the

- Pima Agriculture Cotton Trust Fund through December 31, 2031, which provides assistance to reduce the economic injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric;
- Agriculture Wool Apparel Manufacturers Trust Fund through December 31, 2031, which provides assistance to reduce the economic injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric;
- Wool Research and Promotion Program through FY2031, which provides grants to assist U.S. wool producers with improving the quality of wool and with developing and promoting the wool market; and

- Emergency Citrus Disease Research and Development Trust Fund through FY2031, which funds a program that aims to bring together scientists to find scientifically sound and financially sustainable solutions to Huanglongbing (i.e., citrus greening, a bacterial disease spread by an insect that feeds on citrus).

TITLE II--COMMITTEE ON ARMED SERVICES

This title provides additional funding for, and modifies, various defense and national security projects and programs.

(Sec. 20001) This section provides \$7.5 billion in additional funding for FY2025 to the Department of Defense (DOD) for military personnel quality of life, which includes specified amounts for

- the Marine Corps Barracks 2030 initiative,
- the Defense Health Program,
- supplemental payments of Basic Allowance for Housing to military personnel, and
- tuition assistance and child care assistance for members of the Armed Forces.

The section also provides statutory authority to extend from 14 to 21 days eligibility for Temporary Lodging Expense (TLE) for certain servicemembers undergoing a permanent change of station.

Additionally, the section temporarily increases authorized investment amounts and provides additional authorization for the acquisition or construction of certain military housing through private contracts.

(Sec. 20002) This section provides \$29.2 billion in additional funding for FY2025 for the shipbuilding industrial base and various naval shipbuilding activities.

(Sec. 20003) This section provides \$24.4 billion in additional funding for FY2025 for the development of (1) space-based missile intercept capabilities, (2) military space-based sensors, and (3) the continued development of ground-based missile defense systems and related infrastructure.

(Sec. 20004) This section provides \$25.4 billion in additional funding for FY2025 for various military weapon systems, including hypersonic, air-to-air, cruise, and anti-ship missiles.

This amount also includes additional funding for FY2025 for the Industrial Base Fund.

(Sec. 20005) This section provides \$16 billion in additional funding for FY2025 to expand the small, unmanned aerial system (UAS) industrial base, to advance the use of artificial intelligence in these and other systems, and to support the integration of commercial developments in military technology.

This amount also includes additional funding to finance loans and loan guarantees by the DOD Office of Strategic Capital.

(Sec. 20006) This section provides \$380 million in additional funding for FY2025 to replace current business systems, deploy automation, and deploy artificial intelligence to accelerate audits of DOD financial statements.

(Sec. 20007) This section provides \$8.6 billion in additional funding for FY2025 to (1) modernize the capabilities of fighter, transport, and other military aircraft; (2) prevent the retirement of certain fighter aircraft (e.g., F-22); and (3) produce next-generation manned and unmanned aircraft.

(Sec. 20008) This section provides \$14.7 billion in additional funding for FY2025 for nuclear defense resources and nuclear forces development and production. This includes additional funding to expand the production capacity of the B-21 long-range bomber aircraft.

This amount also includes additional funding for FY2025 for the National Nuclear Security Administration.

(Sec. 20009) This section provides \$12.7 billion in additional funding for FY2025 for (1) various military exercises and infrastructure in the Indo-Pacific region, and (2) the development and procurement of military satellites.

(Sec. 20010) This section provides \$16.3 billion in additional funding for FY2025 to enhance and modernize (1) military depots and shipyards, (2) Special Operations Command (SOCOM) equipment, and (3) Air Force facilities.

(Sec. 20011) This section provides \$1 billion in additional funding for FY2025 to support border operations, including deployment of military personnel.

(Sec. 20012) This section provides \$10 million in additional funding for FY2025 for the DOD Office of Inspector General to monitor the activities for which funding is provided under this title.

(Sec. 20013) This section authorizes each military department to use funding under this title for military construction, land acquisition, and military family housing. Each military department must submit a detailed spending plan to Congress.

TITLE III--COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

(Sec. 30001) This section reduces funding for the Consumer Financial Protection Bureau (CFPB). Specifically, the section reduces from 12% to 6.5% the cap on the percentage of combined earnings transferred from the Board of Governors of the Federal Reserve Board to the CFPB.

(Sec. 30002) This section rescinds unobligated funds from the Green and Resilient Retrofit Program under the Department of Housing and Urban Development (HUD). The program provides funding for energy efficiency improvements in multifamily properties receiving HUD assistance.

(Sec. 30003) This section closes the Securities and Exchange Commission (SEC) Reserve Fund and transfers the remaining amounts to the general fund of the Treasury. The fund, which pays for SEC expenses and is not subject to annual appropriation, was created by the Dodd-Frank Wall Street Reform and Consumer Protection Act and is funded by securities registration fees.

(Sec. 30004) This section provides additional funding of \$1 billion to carry out activities under the Defense Production Act of 1950. The act confers on the President a broad set of authorities to

influence domestic industry in the interest of national defense, such as requiring industries to accept contracts for national defense purposes.

TITLE IV--COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

(Sec. 40001) This section provides the Coast Guard with over \$24.5 billion in additional funds for FY2025, to remain available through FY2029, to use expedited processes to (1) procure or acquire new operational assets and systems; (2) maintain existing assets and systems; (3) design, construct, plan, engineer, and improve necessary shore infrastructure; and (4) enhance operational resilience for monitoring, search and rescue, interdiction, hardening of maritime approaches, and navigational safety.

This includes specified funds for various cutters and other programs. Cutters are Coast Guard vessels that are more than 65 feet long and have accommodations for a crew. (Those less than 65 feet long are called boats.)

This title includes specified funds for

- fixed and rotary wing aircraft,
- long-range unmanned aircraft and base stations,
- Offshore Patrol Cutters,
- Fast Response Cutters,
- Polar Security Cutters,
- Arctic Security Cutters,
- light and medium icebreaking cutters,
- shore facilities, and
- depot maintenance.

(Sec. 40002) This section renews the authority of the Federal Communications Commission (FCC) to auction licenses for the use of radio frequency spectrum and requires the FCC to auction at least 800 megahertz of spectrum within a specified time frame.

Specifically, this section reauthorizes the FCC's use of competitive bidding (i.e., auctions) to grant licenses for the use of specific frequencies through September 30, 2034. (The FCC's auction authority must be renewed by Congress periodically. It expired on March 9, 2023, and has not been renewed.) However, the FCC is not authorized to auction certain frequencies used primarily by the Department of Defense.

During this period of renewed auction authority, the FCC is required to auction at least 300 megahertz of spectrum, including at least 100 megahertz in specified frequencies (known as the Upper C-Band) within two years of this title's enactment.

Further, within four years of this title's enactment, the National Telecommunications and Information Administration (NTIA) must identify 500 megahertz of additional spectrum currently allocated to the federal government for reallocation and auction.

Specifically, the NTIA must select spectrum at frequencies between 1.3 and 10.5 gigahertz for reallocation to nonfederal use or shared federal use for full-power commercial licensed use cases (e.g., commercial mobile phone service). In selecting spectrum for reallocation, the NTIA must assess the feasibility of reallocating specific frequencies with the goal of maximizing auction proceeds.

The FCC must auction the frequencies identified for reallocation within a specified time frame, and must complete auctions for the full 500 megahertz within eight years of this title's enactment.

If necessary to protect U.S. national security, the President must modify or withdraw any frequency identified for reallocation at least 60 days before an auction of that frequency.

Finally, this section provides funding for the NTIA to conduct a timely spectrum analysis of certain frequency bands and to publish reports, biennially through 2034, on the value of all spectrum used by federal entities.

(Sec. 40003) This section provides the Federal Aviation Administration (FAA) with \$12.52 billion in additional funds for FY2025, to remain available through FY2029, for the acquisition, construction, sustainment, and improvement of facilities and equipment necessary to improve or maintain aviation safety. This includes \$4.75 billion for telecommunications infrastructure modernization and systems upgrades and \$3 billion for radar systems replacement.

This also includes specified funds for

- runway safety technologies, runway lighting systems, and airport surface surveillance technologies;
- Automated Weather Observing Systems and Visual Weather Observing Systems;
- the Don Young Alaska Aviation Safety Initiative;
- a new air route traffic control center (ARTCC) and an ARTCC Realignment and Consolidation Effort;
- recapitalization and consolidation of terminal radar approach control facilities (TRACONS);
- the deployment of remote tower technology at untowered airports; and
- air traffic controller advanced training technologies.

The FAA must submit a report to Congress every 90 days on these expenditures.

(Sec. 40004) This section requires the FAA to impose a specified fee on each commercial space launch or reentry carried out beginning in 2026.

This section also establishes an account within the U.S. Treasury wherein all commercial space launch and reentry fees must be deposited. The FAA must use a certain portion of such funds for (1) expenses of the FAA's Office of Commercial Space Transportation, which administers commercial space launch and reentry permitting; and (2) a project to expedite the development, acquisition, and deployment of technologies or capabilities to aid in space launch and reentry integration.

(Sec. 40005) This section provides \$9.995 billion to the National Aeronautics and Space Administration (NASA) for Moon and Mars missions, infrastructure improvements at NASA facilities, and other NASA projects.

Specifically, this section includes funding for the procurement of a high-performance Mars telecommunications orbiter; for the procurement and operation of the Space Launch System for Artemis missions IV and V; and for expenses related to the operation and eventual deorbiting of the International Space Station.

This section also requires NASA to identify a space vehicle that has carried astronauts and flown in space to be relocated and placed on public display near a NASA field center. The space vehicle must be transported to this new location within 18 months of this title's enactment. This section provides funding to NASA to carry out this requirement, including certain funds that must be transferred to a selected entity for the construction of a facility to house the space vehicle.

(Sec. 40006) This section effectively eliminates the civil penalty for a violation by a manufacturer of the Corporate Average Fuel Economy (CAFE) standards and the ability of the National Highway Traffic Safety Administration (NHTSA) to enforce the standards. Under current law, NHTSA's CAFE standards regulate how far vehicles must travel on a gallon of fuel. NHTSA enforces the standards through civil penalties. This section sets the civil penalty to \$0 for a violation by a manufacturer of the CAFE standards.

(Sec. 40007) This section increases the amount of the lease payment that the Metropolitan Washington Airports Authority (MWAA) must pay to the federal government for Ronald Reagan Washington National Airport and Washington Dulles International Airport.

Specifically, MWAA must pay \$15 million per year (adjusted annually for inflation) beginning in 2027. This amount must be renegotiated at least once every 10 years to ensure that the amount is not less than \$15 million in 2027 dollars. Under current law, for 2025, the projected payment is approximately \$7.5 million.

(Sec. 40008) This section rescinds specified funds that were provided to the National Oceanic and Atmospheric Administration (NOAA) for certain facilities, activities, and research.

Specifically, this section rescinds funds that were provided to NOAA for (1) the provision of financial or technical assistance to coastal states and other entities for conservation, restoration, and protection of coastal and marine habitats and to enable preparation for extreme weather; (2) NOAA facilities, including piers, fisheries laboratories, and national marine sanctuaries; (3) reviews of planning, permitting, and approval processes; and (4) weather research and forecasting innovations, including a grant program to support climate research.

(Sec. 40009) This section reduces funding for the Corporation for Travel Promotion (i.e., Brand USA) to \$20 million per year through FY2027 from the current level of \$100 million per year. Established by the Travel Promotion Act of 2009, Brand USA is a public-private partnership tasked with promoting tourism in the United States.

(Sec. 40010) This section rescinds the unobligated balances for the FAA Alternative Fuel and Low-Emission Aviation Technology Program, which includes the Fueling Aviation's Sustainable Transition (FAST) program, that was funded as part of the Inflation Reduction Act of 2022. The purpose of the program is to provide competitive grants for projects located in the United States that (1) produce,

transport, blend, or store sustainable aviation fuel; or (2) develop, demonstrate, or apply low-emission aviation technologies.

(Sec. 40011) This section rescinds specified funds that were provided for the Public Wireless Supply Chain Innovation Fund, a competitive grant program administered by the National Telecommunications and Information Administration that funds efforts to accelerate the development, deployment, and adoption of Open Radio Access Networks (Open RAN). (Radio Access Networks connect individual user devices [e.g., cell phones and laptops] to broader telecommunications networks. Open RAN is a nonproprietary, standardized approach that aims to allow all hardware and software in a cellular network to interoperate, regardless of manufacturer or vendor.)

TITLE V--COMMITTEE ON ENERGY AND NATURAL RESOURCES

Subtitle A--Oil and Gas Leasing

(Sec. 50101) This section generally reduces restrictions on onshore development of oil and gas on federal lands, including by (1) decreasing the minimum royalty rates paid by oil and gas companies, (2) reinstating noncompetitive leasing, (3) directing the Department of the Interior to immediately resume onshore quarterly lease sales in specified states, and (4) directing Interior to approve applications that allow for the commingling of production from two or more sources (e.g., the area of an oil and gas lease and nonfederal property) before production reaches the point where the volume and quality of the substances are measured for royalty payment purposes if certain conditions are met.

(Sec. 50102) This section generally reduces restrictions on offshore development of oil and gas on federal lands, including by directing Interior to hold a specified number of offshore oil and gas lease sales on certain submerged lands of the Outer Continental Shelf (OCS), including areas in the Gulf of America and the Cook Inlet Planning Area in Alaska.

This section also directs Interior to approve operator requests to commingle production from multiple reservoirs within a single wellbore completed on the OCS of the Gulf of America unless conclusive evidence shows the practice would be unsafe or reduce the recovery of oil.

Further, this section decreases the minimum royalty rates for federal leases for offshore development of oil and gas.

This section also modifies the Gulf of Mexico Energy Security Act of 2006 to raise the cap on the distribution of OCS revenues to oil and gas producing Gulf states (i.e., Alabama, Louisiana, Mississippi, and Texas) and the Land and Water Conservation Fund state assistance program from \$500 million to \$650 million per year for FY2025-FY2034.

(Sec. 50103) This section ends the practice of assessing royalties on gas extracted from federal lands that was consumed or lost by venting, flaring, or through negligent releases (e.g., extracted methane).

(Sec. 50104) This section modifies provisions concerning the production of oil and gas from the Arctic National Wildlife Refuge (ANWR) in Alaska, particularly by directing Interior to conduct at least four lease sales under the Coastal Plain Oil and Gas Leasing Program in ANWR not later than 10 years

after enactment. Additionally, it outlines how the revenues derived from the program must be divided between Alaska and the federal government.

(Sec. 50105) This section requires at least five lease sales under the National Petroleum Reserve-Alaska (NPR-A) oil and gas program not later than 10 years after enactment. It also outlines how the revenues derived from the program must be divided between Alaska and the federal government.

Subtitle B--Mining

(Sec. 50201) This section directs Interior, within 90 days after enactment, to publish an environmental review, hold certain coal lease sales, and issue the leases for certain coal lease applications that are pending as of enactment or are submitted within 90 days.

(Sec. 50202) This section decreases through September 30, 2034, the royalty rate for coal leases on federal lands.

(Sec. 50203) This section requires Interior to make available for lease known recoverable coal resources of at least 4 million additional acres on federal land, not including federal land located in areas such as a National Conservation Area.

(Sec. 50204) This section authorizes mining of all federal coal reserves located in federal land subject to a previously approved mining plan and adjacent to coal reserves in adjacent state or private lands.

Subtitle C--Lands

(Sec. 50301) This section directs the Forest Service to annually, beginning in FY2026 and through FY2034, sell a quantity of timber on National Forest System land that is at least 250 million board feet greater than the quantity that was sold in the previous fiscal year, subject to forest plan limits.

The Forest Service must annually enter into at least 40 20-year or longer contracts for the sale of national forest materials for FY2025-FY2034.

The Bureau of Land Management (BLM) must annually, beginning in FY2026 and through FY2034, sell a quantity of timber on public land that is at least 20 million board feet greater than the quantity that was sold in the previous fiscal year, subject to resource management plan limits.

This section also directs the BLM to annually enter into at least five 20-year or longer contracts to dispose of vegetative materials on certain federal lands for FY2025-FY2034.

(Sec. 50302) This section establishes fees and authorities related to renewable energy projects on federal lands, including by providing statutory authority for annual acreage rent for wind and solar rights-of-way.

(Sec. 50303) This section provides a mechanism for states, counties, and the federal government to share revenues from renewable energy projects on public lands.

(Sec. 50304) This section rescinds certain funding for Interior to carry out projects concerning the conservation, protection, and resiliency of lands and resources administered by the National Park Service (NPS) and the BLM.

This section also rescinds funding for conservation and ecosystem and habitat restoration projects on lands administered by the NPS and the BLM.

This section also rescinds funding for hiring NPS employees.

(Sec. 50305) This section provides \$150 million in funding to the NPS for events, celebrations, and activities related to the 250th anniversary of America's founding.

Subtitle D--Energy

(Sec. 50401) This section provides \$389 million in funding for the Strategic Petroleum Reserve (SPR). It also repeals a provision that requires the Department of Energy (DOE) to draw down and sell a specified quantity of crude oil from the SPR during FY2026-FY2027.

(Sec. 50402) This section reinstates the cap on the total amount of loans that may be provided under the Advanced Technology Vehicles Manufacturing Loan Program, a DOE program that provides loans to facilities that manufacture vehicles that emit either a low amount or no amount of greenhouse gases.

This section also rescinds the unobligated funds that were provided by the Inflation Reduction Act for various energy programs, such as State-Based Home Energy Efficiency Contractor Training Grants, the Advanced Technology Vehicles Manufacturing Loan Program, and the Tribal Energy Loan Guarantee Program.

(Sec. 50403) This section revises the types of projects eligible for energy infrastructure reinvestment financing. In particular, this financing is eliminated for projects that avoid or reduce air pollutants or greenhouse gas (GHG) emissions. Additionally, fossil fuel projects under this program are no longer required to have controls or technologies to avoid or reduce air pollutants or GHG emissions.

This section expands the program to include projects involving critical minerals. Projects that support or enable the provision of known or forecastable electric supply at time intervals necessary to maintain or enhance grid reliability or other system adequacy needs are also now eligible for this financing. This section also provides an additional \$1 billion in funding for the program.

(Sec. 50404) This section provides funding for partnerships between the National Laboratories and U.S. industry to organize DOE data for use in artificial intelligence and machine learning models. DOE must also initiate seed efforts for self-improving artificial intelligence models for science and engineering using this data. These models must be provided to the scientific community through a system of programs and infrastructure using cloud computing. This section also allows this data to be used to develop next-generation microelectronics.

Subtitle E--Water

(Sec. 50501) This section provides \$1 billion in funding to the Bureau of Reclamation for construction and associated activities that increase the capacity of existing Reclamation surface water storage facilities or conveyance facilities.

TITLE VI--COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Among other provisions, this title repeals and rescinds funding provided under the Inflation Reduction Act of 2022 for a variety of environmental programs.

(Sec. 60001) This section rescinds unobligated funds for the program under which the Environmental Protection Agency (EPA) provides (1) grants and rebates to replace certain medium-duty vehicles (e.g., school buses) and heavy-duty vehicles (e.g., garbage trucks) with zero-emission vehicles, and (2) awards to replace such vehicles in communities located in areas designated as nonattainment areas under the Clean Air Act (e.g., areas that do not meet national air quality standards).

(Sec. 60002) This section repeals and rescinds unobligated funds for the Greenhouse Gas Reduction Fund, which provides financial and technical assistance to states and other eligible recipients to help enable low-income and disadvantaged communities carry out activities to reduce greenhouse gas emissions.

(Sec. 60003) This section rescinds unobligated funds for an EPA program that gives grants, rebates, and loans under the Energy Policy Act of 2005 to identify and reduce diesel emissions resulting from goods movement (e.g., distribution of raw materials and consumer products) facilities as well as vehicles servicing those facilities in low-income and disadvantaged communities.

(Sec. 60004) This section rescinds unobligated funds for a variety of programs that provide incentives to monitor and reduce air pollution and greenhouse gases, including funding for grants and other activities to

- deploy, integrate, support, and maintain stations, technology, and other methods to monitor air toxins;
- expand the national ambient air quality monitoring network with new multi-pollutant monitoring stations;
- replace, repair, operate, and maintain existing monitors;
- deploy, integrate, and operate air quality sensors in low-income and disadvantaged communities;
- address emissions from wood heaters;
- monitor emissions of methane;
- conduct research and development related to the prevention and control of air pollution; and
- encourage states to adopt and implement greenhouse gas and zero-emission standards for mobile sources (e.g., vehicles).

(Sec. 60005) This section rescinds unobligated funds provided for grants and other activities to monitor and reduce greenhouse gas emissions and other air pollutants at schools in low-income and disadvantaged communities. Further, it rescinds funding for technical assistance to schools in low-income and disadvantaged communities to (1) address environmental issues; (2) develop school environmental quality plans that include standards for school building, design, construction, and renovation; and (3) identify and mitigate ongoing air pollution hazards.

(Sec. 60006) This section rescinds unobligated funds for a low emissions electricity program that provides education, technical assistance, and outreach to reduce greenhouse gas emissions that result from domestic electricity generation and use.

(Sec. 60007) This section rescinds unobligated funds provided under the EPA's Renewable Fuel Standard Program for

- the development and establishment of tests and protocols regarding the environmental and public health effects of a fuel or fuel additive;
- the collection and analysis of data to update applicable regulations, guidance, and procedures for determining the amount of greenhouse gas emissions from a fuel over the fuel's life cycle (e.g., production, processing, transport);
- the review, analysis, and evaluation of the impacts of all transportation fuels on the public as well as on low-income and disadvantaged communities; and
- supporting investments in advanced biofuels.

(Sec. 60008) This section rescinds unobligated funding for implementing the American Innovation and Manufacturing Act of 2020, which directs the EPA to limit hydrofluorocarbons (HFCs). HFCs are greenhouse gases that are used in applications such as air conditioning, refrigeration, fire suppression, and aerosols.

(Sec. 60009) This section rescinds unobligated funding for updating the EPA's Integrated Compliance Information System and any associated systems, necessary information technology infrastructure, or public access software tools to ensure access to compliance data and related information. Further, it also rescinds funding for grants to states, Indian tribes, and air pollution control agencies to update their systems to ensure communication with EPA's system. Finally, it rescinds funding to the EPA for updating inspection software or acquiring such software or devices on which to run the software.

(Sec. 60010) This section rescinds unobligated funding provided for the EPA to support (1) enhanced standardization and transparency of corporate climate action commitments and plans to reduce greenhouse gas emissions; (2) enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and (3) progress toward meeting such commitments and implementing such plans.

(Sec. 60011) This section rescinds unobligated funding for the EPA program that supports the development, enhanced standardization and transparency, and reporting criteria for environmental product declarations that include measurements of the greenhouse gases associated with the lifecycle—or all the relevant stages of production, use, and disposal—of construction materials and products.

(Sec. 60012) This section rescinds unobligated funding for the methane emissions reduction program under which the EPA provides financial incentives to encourage the reporting of greenhouse gases, the monitoring of methane, and the reduction of methane emissions from petroleum and natural gas systems. The section also postpones to calendar year 2034 the EPA's fee on methane emissions that exceed certain thresholds.

(Sec. 60013) This section rescinds unobligated funding for the EPA program that awards grants to states, air pollution control agencies, municipalities, and Indian tribes for developing and implementing plans to reduce greenhouse gas air pollution.

(Sec. 60014) This section rescinds unobligated funding for the EPA's provision of efficient, accurate, and timely reviews, including

- developing efficient, accurate, and timely reviews for permitting and approval processes through the hiring and training of personnel;
- developing programmatic documents;
- procuring technical or scientific services for reviews;
- developing environmental data or information systems;
- engaging stakeholders;
- purchasing new equipment for environmental analysis; and
- developing geographic information systems and other analysis tools, techniques, and guidance to improve agency transparency, accountability, and public engagement.

(Sec. 60015) This section rescinds unobligated funds for a program under which the EPA identifies and labels construction materials and products that have substantially lower levels of greenhouse gas emissions associated with all the relevant stages of production, use, and disposal of the materials and products.

(Sec. 60016) This section rescinds unobligated funding for environmental and climate justice block grants that benefit disadvantaged communities.

(Sec. 60017) This section rescinds unobligated funding for developing and implementing recovery plans under the Endangered Species Act.

(Sec. 60018) This section rescinds unobligated funding for the Council on Environmental Quality, including funding for (1) collecting data related to environmental and climate issues, (2) tracking disproportionate burdens and cumulative impacts, and (3) supporting efforts to ensure that any mapping or screening tool is accessible to community-based organizations and community members.

(Sec. 60019) This section rescinds the unobligated balances for the Neighborhood Access and Equity Grant Program of the Federal Highway Administration (FHWA). Under the program, the FHWA provides grants to states, local governments, and certain other entities for (1) improving walkability, safety, and affordable transportation access; (2) mitigating or remediating environmental impacts from surface transportation facilities in disadvantaged communities; and (3) planning and capacity building activities related to pollution assessment and transportation equity in disadvantaged communities.

(Sec. 60020) This section rescinds the unobligated funding provided to the Federal Buildings Fund for the conversion of General Services Administration (GSA) facilities to high-performance green buildings.

(Sec. 60021) This section rescinds the unobligated funding provided to the Federal Buildings Fund for acquiring and installing low-carbon (i.e., greenhouse gases) materials and products in the construction of federal buildings.

(Sec. 60022) This section rescinds the unobligated funding for the emerging and sustainable technology program of the GSA.

(Sec. 60023) This section rescinds the unobligated funding for the Environmental Review Implementation Funds of the FHWA.

(Sec. 60024) The section rescinds the unobligated funding for the FHWA's Low Carbon Transportation Materials Grants program. Under the program, FHWA provides grants to states, local governments, and other entities to use, in certain projects, construction materials and products with low levels of greenhouse gases in their lifecycles.

(Sec. 60025) This section provides \$257 million for the John F. Kennedy Center for the Performing Arts in Washington, DC, for FY2025, to remain available until September 30, 2029. This funding is for capital repair, restoration, the maintenance backlog, and security structures of the building and site.

(Sec. 60026) This section modifies the environmental review process under the National Environmental Policy Act of 1969 (NEPA) to allow a project sponsor to pay a fee to expedite completion of an environmental assessment (EA) or environmental impact statement (EIS).

TITLE VII--FINANCE

Subtitle A--Tax

Chapter 1--Providing Permanent Tax Relief for Middle-Class Families and Workers

This chapter makes permanent multiple individual federal tax provisions enacted in 2017 by the Tax Cuts and Jobs Act.

Below is a summary of provisions in this chapter.

(Sec. 70101) This section makes permanent the individual tax rates of 10%, 12%, 22%, 24%, 32%, 35%, and 37% and the estate and trust tax rates of 10%, 24%, 35%, and 37%.

(Sec. 70102) This section permanently increases the base standard deduction amount to \$15,750 for single filers, \$23,625 for individuals who file as head of the household, and \$31,500 for married individuals filing jointly (adjusted annually for inflation).

(Sec. 70103) This section permanently repeals the personal exemption tax deduction for most taxpayers and establishes a temporary (for 2025-2028) personal exemption tax deduction of up to \$6,000 for individuals who are 65 years or older (subject to income limitations and identification requirements).

(Sec. 70104) This section increases the maximum amount of the child tax credit to \$2,200 per qualifying child (beginning in 2025) and provides that such amount is to be annually adjusted for inflation beginning in 2026.

This section also makes permanent the

- phase out of the child tax credit (including the \$500 nonrefundable tax credit for dependents) for individuals with a modified adjusted gross income exceeding \$200,000 (or \$400,000 for joint filers),
- \$500 nonrefundable child tax credit for each dependent (who is not a qualifying child), and
- refundable portion of the child tax credit for taxpayers who meet certain requirements.

Further, this section extends the child tax credit identification requirements applicable to qualifying children and expands such identification requirements to include the taxpayer and taxpayer's spouse (if filing jointly). Beginning in 2025, under this section, a taxpayer must provide a work-eligible Social Security number for themselves, for their spouse (if filing jointly), and for each qualifying child.

(Sec. 70105) This section makes permanent the qualified business income (QBI) tax deduction, expands the phase-in range of the limitations on the QBI tax deduction to \$75,000 for non-joint returns and \$150,000 for joint filers (from \$50,000 for non-joint returns and \$100,000 for joint filers), and establishes a minimum QBI tax deduction of \$400 for certain taxpayers.

(Sec. 70106) This section increases the base estate tax, gift tax, and generation-skipping transfer tax exemption amount after 2025 to \$15 million (from \$5 million), adjusted for inflation.

(Sec. 70107) This section makes permanent the increased alternative minimum tax exemption amounts and reduces the alternative minimum taxable income threshold amount to \$500,000 (\$1 million for joint filers) at which the exemption amounts begin to phase out (adjusted annually for inflation beginning in 2026). (For 2025, the alternative minimum taxable income threshold amounts are \$626,350 or \$1,252,700 for joint filers, as adjusted for inflation.)

Further, this section increases the percentage rate to 50% (from 25%) at which the alternative minimum tax exemption amount is phased out for individuals whose taxable income exceeds such threshold amount.

(Sec. 70108) This section makes permanent the limit on the itemized tax deduction for home mortgage interest enacted in 2017 by the Tax Cuts and Jobs Act. Thus, under this section, taxpayers who itemize their tax deductions may deduct interest paid on the first \$750,000 (or \$375,000 for married individuals filing separately) of mortgage debt. As background, for tax years prior to 2018, an itemized tax deduction was allowed for interest paid on the first \$1 million of mortgage debt (or the first \$500,000 for married individuals filing separately).

This section also allows certain mortgage insurance premiums to be included in the itemized tax deduction for home mortgage interest.

(Sec. 70109) This section makes permanent a provision that limits the itemized tax deduction for unreimbursed personal casualty losses to such losses associated with a federally declared disaster. (As background, for tax years before 2018, the itemized tax deduction for unreimbursed personal casualty and theft losses was not restricted to such losses associated with a federally declared disaster.)

However, this section also expands the itemized tax deduction to include unreimbursed personal casualty losses attributable to certain state declared disasters.

(Sec. 70110) This section permanently eliminates the itemized tax deduction for most miscellaneous expenses. However, under this section, an itemized tax deduction for miscellaneous expenses is allowed for certain unreimbursed expenses incurred by teachers and other school personnel. Specifically, an itemized tax deduction is allowed for expenses incurred for books, supplies, and certain other expenses incurred by an individual who is (for at least 900 hours during the school year) a K-12 teacher, instructor, counselor, principal, school aide, interscholastic sports administrator, or coach.

(Sec. 70111) This section replaces the overall limitation on itemized tax deductions applicable for 2025 and after (commonly known as the Pease limitation) with a modified limitation on itemized tax deductions.

Under this section, beginning in 2026, a taxpayer's itemized tax deductions are reduced by $\frac{2}{37}$ of the lesser of (1) the taxpayer's itemized tax deductions, or (2) the amount of the taxpayer's taxable income (including the full amount of any itemized tax deductions) that exceeds the dollar amount at which the 37% federal income tax rate bracket (applicable to the taxpayer) begins.

(Sec. 70112) This section permanently eliminates the exclusion from gross income of reimbursements paid by an employer to an employee for expenses incurred to purchase, improve, repair, and store a bicycle that is regularly used to travel between the employee's residence and place of work (qualified bicycle expenses). (Prior to 2018, employees could exclude reimbursements of up to \$20 per month paid by an employer for qualified bicycle expenses as a qualified transportation fringe benefit. The exclusion from gross income for qualified bicycle expenses was temporarily eliminated for 2018-2025 by the Tax Cuts and Jobs Act.)

(Sec. 70113) This section permanently eliminates for most individuals the above-the-line tax deduction for moving expenses incurred to begin working in a new location. However, under this section, the tax deduction for moving expenses incurred to begin working in a new location is retained for certain active-duty members of the Armed Forces and expanded to include certain members of the intelligence community. (As background, prior to 2018, an above-the-line tax deduction was allowed for reasonable moving expenses incurred by an employee or self-employed individual to begin working in a new location if certain requirements are met. The tax deduction for reasonable moving expenses was eliminated through 2025, by the Tax Cuts and Jobs Act, for individuals other than for certain members of the Armed Forces.)

(Sec. 70114) This section makes permanent and further expands the limit on the itemized tax deduction for wagering losses.

Specifically, under this section, wagering losses permanently includes expenses incurred in carrying on wagering transactions that would otherwise be deductible (e.g., travel to and from a casino). Thus, expenses incurred in carrying on wagering transactions may be deducted only to the extent that such expenses (in addition to any other wagering losses) are offset by gains from wagering that are included in gross income.

This section further limits the tax deduction for wagering losses to 90% (from 100%) of the amount of wagering gains included in gross income.

(Sec. 70115) This section permanently allows the designated beneficiary of an Achieving a Better Life Experience (ABLE) account to make additional contributions to their ABLE account (subject to certain requirements and limitations) that are subject to an increased contribution limit.

This section also increases the contribution limit to an ABLE account by adding one additional year to the annual adjustment for the cost of living.

(Sec. 70116) This section permanently extends the qualified retirement savings contribution tax credit for contributions made to an ABLE account by the account's designated beneficiary. Further, this section increases the maximum amount of the tax credit to \$2,100 (from \$2,000).

(Sec. 70117) This section makes permanent the provision that allows nontaxable rollovers from a qualified tuition program (529 plan) to an ABLE account, subject to certain requirements.

(Sec. 70118) This section permanently treats a qualified hazardous duty area as a combat zone for purposes of determining eligibility for certain federal tax benefits available to members of the Armed Forces. (As background, multiple federal tax benefits are available to members of the Armed Forces serving in a combat zone, including an exclusion from gross income of certain military pay, an extension of time to file income tax returns, and special estate tax rules.)

This section also makes permanent the designation of the Sinai Peninsula as a hazardous duty area and expands such designation to include Kenya, Mali, Burkina Faso, and Chad.

(Sec. 70119) This section extends the exclusion from gross income for the discharge of student loan debt due to the death or total and permanent disability of the student. However, under this section, the student must provide a work-eligible Social Security number to be eligible for the exclusion.

(Sec. 70120) This section temporarily increases the limit on the federal tax deduction for state and local taxes (commonly known as the SALT deduction cap) and phases out the tax deduction for individuals with a modified adjusted gross income exceeding a certain threshold amount.

Specifically, the SALT deduction cap increases in 2025 to \$40,000 from \$10,000 (or to \$20,000 from \$5,000 for married individuals filing separately). The SALT deduction cap increases in 2026 to \$40,400 (\$20,200 for married individuals filing separately) and, then, by 1% each year after 2026, through 2029. In 2030, under this section, the SALT deduction cap reverts to \$10,000 (or \$5,000 for married individuals filing separately).

Further, under this section, the amount of state and local taxes allowed as a federal tax deduction is reduced (but not below \$10,000 or \$5,000 for married individuals filing separately) by 30% of the amount that an individual's modified adjusted gross income exceeds the threshold amount. The threshold amount in 2025 is \$500,000 (\$250,000 for married individuals filing separately). The threshold amount increases in 2026 to \$505,000 (\$252,500 for married individuals filing separately) and, then, increases by 1% each year after 2026, through 2029.

This chapter establishes new tax deductions for qualified tips, qualified overtime, and some interest paid on a passenger vehicle loan. This chapter also establishes a new type of tax-advantaged account, called a Trump account.

Below is a summary of the provisions in this chapter.

(Sec. 70201) This section establishes a new above-the-line tax deduction, through 2028, of up to \$25,000 for qualified tip income, which begins to phase out for individuals whose modified adjusted gross income exceeds \$150,000 (\$300,000 for joint filers). (Above-the-line deductions are subtracted from gross income to calculate adjusted gross income.)

To be eligible for the tax deduction for qualified tip income, individuals must provide a work-eligible Social Security number for themselves and, if married, must file a joint federal tax return.

(Sec. 70202) This section establishes a new above-the-line tax deduction, through 2028, of up to \$12,500 (\$25,000 for joint filers) for qualified overtime compensation, which begins to phase out for individuals whose modified adjusted gross income exceeds \$150,000 (\$300,000 for joint filers).

To be eligible for the tax deduction for qualified tip income, individuals must provide a work-eligible Social Security number for themselves and, if married, must file a joint federal tax return.

(Sec. 70203) This section establishes a new tax deduction of up to \$10,000 for interest paid on indebtedness incurred in 2025 through 2028 to buy a passenger vehicle (for personal use and subject to certain requirements). The tax deduction phases out for taxpayers with modified adjusted gross income that exceeds \$100,000 (or \$200,000 for joint filers).

(Sec. 70204) This section establishes a new type of tax-advantaged account, called a Trump account, which is an individual retirement account (IRA) (but not a Roth IRA) for individuals under 18 years old. Up to \$5,000 (adjusted for inflation) may be contributed to a Trump account in each year before the account beneficiary reaches the age of 18 years old. (Certain rollovers and qualified general contributions do not count towards the annual contribution limit.)

Distributions from a Trump account may be made once the account beneficiary reaches the age of 18 years old. (Some exceptions apply.)

This section also authorizes a one-time federal government deposit of \$1,000 into a Trump account for individuals born after December 31, 2024 and before January 1, 2029 (subject to certain other requirements).

Chapter 3--Establishing Certainty and Competitiveness for American Job Creators

Subchapter A--Permanent U.S. Business Tax Reforms and Boosting Domestic Investment

This subchapter makes a number of changes to business-related federal tax provisions.

Below is a summary of provisions in this subchapter.

(Sec. 70301) This section permanently extends 100% bonus depreciation for property acquired and placed into service (and for certain plants planted or grafted) on or after January 19, 2025. (Bonus depreciation generally allows a business to deduct either the full cost or a large percentage of the cost of qualified property in the year that the property is placed into service, rather than depreciating such costs over a period of time.)

(Sec. 70302) This section allows taxpayers to deduct domestic research and experimental expenses in the year such expenses are incurred (rather than requiring taxpayers to capitalize and amortize such expenses over 5 years or, if elected, over 10 years). However, under this section, taxpayers must continue to capitalize and amortize over a 15-year period foreign research and experimental expenses.

Under this section, taxpayers may elect to capitalize and amortize over at least 60 months domestic research and experimental expenses. (Some exclusions apply.)

Further, under this section (1) small business taxpayers (with average annual gross receipts of \$31 million or less) may claim a tax deduction for domestic research and experimental expenses retroactively to tax years beginning after December 31, 2021, and (2) taxpayers may elect to accelerate amortization attributable to domestic research and experimental expenditures paid or incurred after December 31, 2021 and before January 1, 2025.

(Sec. 70303) This section reinstates the exclusion of the tax deduction for depreciation, amortization, or depletion from the calculation of adjusted taxable income for purposes of the limitation on the tax deduction for interest expenses for tax years beginning after December 31, 2024.

This section also expands the exclusion of interest on floor plan financing from the limit on the tax deduction for business interest expenses to include interest on floor plan financing of any camper or trailer designed to (1) provide temporary living quarters for recreational, camping, or seasonal use; and (2) be towed by, or affixed to, a motor vehicle.

(Sec. 70304) This section makes permanent the business tax credit for paid family and medical leave and allows employers to base the tax credit on certain wages or premiums paid.

Specifically, under this section, an eligible employer may claim a tax credit beginning in 2026, as part of the general business tax credit, for up to 25% of either (1) wages paid to qualifying employees during any period that such employees are on family and medical leave, or (2) the total amount of premiums paid or incurred for insurance policies that provide paid family and medical leave for employees. (As background, for 2018-2025, an eligible employer may claim a tax credit as part of the general business tax credit for up to 25% of wages paid to qualifying employees during any period that such employees are on family and medical leave.)

(Sec. 70305) This section provides multiple exceptions to the limitation imposed on the tax deduction for employer-provided meals.

Specifically, an employer generally may not deduct certain expenses paid or incurred after 2025 for (1) providing food or beverages to employees through an eating facility (operated by the employer for employees) that meets the de minimis requirements for fringe benefits (e.g., office snacks and coffee), or (2) meals provided by the employer for the convenience of the employer on the employer's premises to employees and their spouses and dependents. (As background, de minimis fringe benefits are benefits that are so small as to make accounting for them unreasonable or impractical.)

However, under this section, an employer may continue to deduct such expenses if

- sold to customers (including employees) for adequate and full consideration,
- required to be provided under federal law by the employer to the crew of a commercial vessel,
- provided by the employer to the crew of a fishing vessel, or
- provided to employees of certain fishing processing facilities in Alaska that are not located in a metropolitan area.

(Sec. 70306) This section increases to \$2.5 million (from \$1.25 million in 2025 and adjusted annually for inflation) the maximum amount that may be deducted (expensed) for certain depreciable business assets. This section also increases to \$4 million (from \$3.13 million in 2025 and adjusted annually for inflation) the dollar amount at which the tax deduction begins to phase out. Both amounts continue to be annually adjusted for inflation.

(Sec. 70307) This section provides for an elective 100% depreciation allowance for nonresidential real property that is placed into service before January 1, 2031, and that meets certain other requirements. (Some limitations apply.)

(Sec. 70308) This section increases the advance manufacturing tax credit to 35% (from 25%) for property placed into service after December 31, 2025.

(Sec. 70309) This section expands the exclusion from gross income for interest on certain bonds issued by state or local governments (specifically tax-exempt facility bonds) to include interest on bonds for which at least 95% of the net proceeds are used to finance a spaceport. (Thus, spaceports are treated in the same manner as airports for purposes of the federal tax-exempt facility bond rules.)

Under this section, a spaceport is defined as any facility located at or in close proximity to a launch site or reentry site used for

- manufacturing, assembling, or repairing spacecraft, space cargo;
- flight control operations;
- providing launch services and reentry services; or
- transferring crew, spaceflight participants, or space cargo to or from spacecraft.

Further, this section provides that a tax-exempt facility bond is not considered federally guaranteed because an agency of the U.S. government is paying rent, fees, or charges for the use of the spaceport. (As background, state and local bonds that are federally guaranteed are not tax-exempt unless an exception applies.)

Part I--Foreign Tax Credit

This part makes multiple changes to the foreign tax credit.

Below is a summary of the provisions in this part.

(Sec. 70311) This section limits the tax deductions a domestic corporate shareholder may allocate to net CFC tested income (formerly known as global intangible taxable income [GILTI] and renamed under Section 70323 of this act) for purposes of determining the limit on the foreign tax credit. (In this context, CFC refers to controlled foreign corporation.)

Specifically, under this section, a domestic corporation may allocate to net CFC tested income (1) the tax deduction for 40% of the net CFC tested income amount included by such corporation in gross income and amounts treated as dividends attributable to such amounts, and (2) any other deduction directly allocable to such income.

Further, under this section, interest expenses and research and development expenses paid by a domestic corporate shareholder may not be apportioned to net CFC tested income.

(Sec. 70312) This section increases the tax credit allowed to a domestic corporation for income taxes paid by a controlled foreign corporation attributable to income included by the corporation as subpart F income and net CFC tested income (formerly known as GILTI and renamed under Section 70323 of this act).

Under this section, for tax years beginning in 2026, a domestic corporation is allowed a foreign tax credit of up to 90% of the foreign income taxes that are paid or accrued by a controlled foreign corporation of which the domestic corporation is a shareholder and that are attributable to CFC tested income. (For tax years beginning before 2026, a domestic corporation generally is allowed a foreign tax credit of up to 80% of such foreign income taxes paid or accrued.)

As background, the allowance of a tax credit for only a percentage of the foreign taxes paid or accrued on net CFC tested income is also known as the foreign tax credit haircut. Thus, under this section, the foreign tax credit haircut is decreased to 10% (from 20%).

This section also applies the 10% foreign tax credit haircut to foreign income taxes paid or accrued on distributions of previously taxed net CFC tested income.

(Sec. 70313) This section allows a percentage of the income from the sale of certain inventory to be treated as foreign-sourced income for purposes of calculating the foreign tax credit.

Specifically, under this section, a U.S. person may treat as foreign-sourced income up to 50% of the income from the sale of inventory produced in the United States (for use outside of the United States) that is attributable to a foreign office or fixed place of business outside of the United States.

Part II--Foreign-Derived Deduction Eligible Income and Net CFC Tested Income

This part makes multiple changes to the tax deduction allowed to a domestic corporation for foreign-derived intangible income and GILTI.

Below is a summary of the provisions in the part.

(Sec. 70321) This section increases the tax deduction allowed to a domestic corporation for foreign-derived deduction eligible income (formerly known as foreign-derived intangible income and renamed under Section 70323 of this act) and net CFC tested income (formerly known as GILTI and renamed under Section 70323 of this act).

Under this section, for tax years beginning in 2026, a domestic corporation generally may claim a tax deduction equal to the sum of (1) 33.34% of such corporation's foreign-derived deduction eligible income, and (2) 40% of such corporation's net CFC tested income.

As background, for tax years beginning after 2017 and before 2026, a domestic corporation generally is allowed a tax deduction equal to the sum of (1) 37.5% of such corporation's foreign-derived intangible income, and (2) 50% of such corporation's GILTI. As enacted by the Tax Cuts and Jobs Act and prior to modification by this section, the deduction decreased starting in 2026, to the sum of (1) 21.875% of such corporation's foreign-derived intangible income, and (2) 37.5% of such corporation's GILTI and amounts treated as dividends attributable to such amounts.

(Sec. 70322) This section excludes gain from the sale or disposition of certain property from the calculation of the tax deduction for foreign-derived deduction eligible income.

Specifically, under this section, deduction eligible income (for purposes of the tax deduction for foreign-derived deduction eligible income) may not include gain from the sale or other disposition (including the deemed sale or other disposition) occurring after June 16, 2025, of (1) property of a type that gives rise to rents or royalties, and (2) any other property that is subject to depreciation, amortization, or depletion by the seller of such property.

Further, under this section, deduction eligible income must be reduced by expenses and deductions directly related to such income.

(Sec. 70323) This section eliminates the use of a domestic corporation's deemed tangible income return in determining foreign-derived intangible income and such corporation's net deemed tangible income return in determining GILTI. As a result, under this section, the term foreign-derived intangible income is renamed foreign-derived deduction eligible income and the term GILTI is renamed net CFC tested income.

Part III--Base Erosion Minimum Tax

This part makes changes to the base erosion and anti-abuse tax (BEAT).

Below is a summary of the provision in this part.

(Sec. 70331) This section decreases the BEAT rate to 10.5% (from 12.5%) for tax years beginning after 2025. (Prior to amendment by this section, the BEAT rate was 10% for 2025 and 12.5% for tax years after 2025.)

Part IV--Business Interest Limitation

This part makes changes to the calculation of the limitation on the tax deduction of business interest expenses. Under current law, the tax deduction for business interest expenses is limited to the sum of (1) business interest income for the tax year in which the tax deduction is being claimed, (2) 30% of the taxpayer's adjusted taxable income, and (3) the taxpayer's floor plan financing interest.

Below is a summary of the provisions in this part.

(Sec. 70341) This section provides that the limitation on tax deduction of business interest is calculated before capitalizable interest is calculated. (Some exceptions apply.)

(Sec. 70342) This section excludes subpart F income and net CFC tested income (formerly known as GILTI and renamed under section 70323 of this act) from adjusted taxable income for purposes of calculating limitation on tax deduction of business interest.

Part V--Other International Tax Reforms

This part makes permanent and modifies multiple federal tax provisions that impact foreign corporations.

Below is a summary of the key provisions in this part.

(Sec. 70351) This section permanently extends the CFC look-through rule. (Under the CFC look-through rule, certain interest expenses, dividends, rents, and royalties received by one CFC from a related CFC are not treated as foreign personal holding company income [for purposes of calculating subpart F income] if certain other requirements are met.)

(Sec. 70352) This section requires a specified foreign corporation (generally a CFC or any foreign corporation with respect to which one or more domestic corporations is a U.S. shareholder) to use the taxable year of their majority U.S. shareholder, effective for tax years beginning after November 30, 2025. (For tax years beginning on or before November 30, 2025, a specified foreign corporation may elect a tax year beginning one month earlier than the majority U.S. shareholder.)

Chapter 4--Investing in American Families, Communities, and Small Businesses

Subchapter A--Permanent Investments in Families and Children

This subchapter makes multiple changes to federal tax provisions related to children and dependents.

Below is a summary of the provisions in this subchapter.

(Sec. 70401) This section increases the tax credit for employers that provide child care to their employees. Under this section, the portion of the tax credit for qualified child care expenses increases to 40% (from 25%) or to 50% for eligible small businesses. This section also increases the maximum amount of the tax credit to \$500,000 (from \$150,000) or \$600,000 for eligible small businesses (adjusted for inflation).

(Sec. 70402) This section makes up to \$5,000 of the adoption tax credit refundable and adjusts this amount annually for inflation after 2025. However, under this section, the refundable portion of the adoption tax credit may not be carried forward. (Under current law, the amount of the allowed adoption tax credit that exceeds an individual's tax liability may be carried forward for up to five years.)

(Sec. 70403) This section allows Indian tribal governments to determine whether a child has special needs for purposes of calculating the adoption tax credit.

(Sec. 70404) This section increases to \$7,500 (or \$3,750 for a married individual filing separately) from \$5,000 (or \$2,500 for a married person filing separately) the exclusion from gross income for amounts paid or incurred by an employer to an employee as part of a dependent care assistance program.

(Sec. 70405) This section increases the non-refundable tax credit for expenses paid by an individual for the care of a child or dependent that enable such individual to be gainfully employed.

Subchapter B--Permanent Investments in Students and Reforms to Tax-Exempt Institutions

This subchapter makes multiple changes to federal tax provisions related to education and certain educational institutions.

Below is a summary of the provisions in this subchapter.

(Sec. 70411) This section establishes a nonrefundable tax credit of up to \$1,700 for cash contributions made by an individual who is a citizen or resident of the United States to a tax-exempt organization that provides scholarships for qualified elementary and secondary school expenses to eligible students (scholarship granting organization), subject to limitations.

(Sec. 70412) This section makes permanent the exclusion of education assistance paid by an employer to an employee (up to a maximum amount) from (1) gross income by an employee, and (2) wages by an employer (for employment tax purposes). Further, under this section, the maximum amount (\$5,250 for 2025 and 2026) of employer-paid education assistance that may be excluded from gross income and wages is adjusted annually for inflation beginning in 2027.

(Sec. 70413) This section expands the expenses eligible for tax-free withdrawals from qualified tuition programs (529 plans) to include certain additional expenses related to elementary, secondary, or homeschool education.

This section also increases to \$20,000 (from \$10,000) the limit on distributions from a 529 plan used in connection with enrollment or attendance at an elementary or secondary school.

(Sec. 70414) This section expands the expenses eligible for tax-free withdrawals from 529 plans to include tuition, fees, books, supplies, equipment, and other expenses related to the enrollment or attendance in a recognized postsecondary credentialing program.

(Sec. 70415) This section replaces the excise tax of 1.4% imposed on the net investment income of certain private university and college endowments with a new rate structure of 1.4%, 4%, or 8%, depending on several variables including the value of the endowment and the number of full-time students who meet certain other requirements.

(Sec. 70416) This section expands the excise tax imposed on certain tax-exempt organizations for excess compensation paid to certain employees (an employee who is one of the top five highest compensated employees of such organization) to include excess compensation paid to any employee of such organization. (Thus, a tax-exempt organization is liable for an excise equal to the corporate tax rate [21%] multiplied by the sum of remuneration in excess of \$1 million and excess parachute payment paid to any employee by the tax-exempt organization.)

Subchapter C--Permanent Investments in Community Development

This subchapter makes multiple changes to certain federal tax incentives related to investing in certain communities and tax deductions for charitable contributions.

Below is a summary of the provisions in this subchapter.

(Sec. 70421) This section permanently extends the Opportunity Zone program, establishes specific tax incentives for investments in rural areas, and modifies the rules related to deferred gains and stepped-up basis.

As background, the Tax Cuts and Jobs Act temporarily authorized tax incentives for investments (made through qualified opportunity funds) in designated economically distressed areas (called qualified opportunity zones). Specifically, qualified opportunity fund investors may (1) defer capital gain if such gain is reinvested in a qualified opportunity fund within 180 days, (2) exclude from gross income all (or part) of the capital gains from qualified opportunity fund investments held for a certain period of time, and (3) receive a step up in basis (value of the capital asset when it is sold) of 10% for qualified opportunity fund investments held for at least five years and an additional 5% for qualified opportunity fund investments held for at least seven years. (An increase in the basis of a capital asset generally lowers the taxable amount of such asset.)

Under this section, capital gains from qualified opportunity fund investments made beginning in 2027, may be deferred to the earlier of the date on which such investment is sold or exchanged or five years after the date on which the investment is made. (Capital gain from qualified opportunity investments made before 2027, may be deferred to the earlier of the date on which such investment is sold or exchanged or December 31, 2026. (Thus, this section establishes a rolling five-year deferral for capital gains from qualified opportunity funds.)

This section also eliminates the additional 5% step up in basis for qualified opportunity zone fund investments held for at least 7 years, but increases the basis for such investments held for at least 10

years to the fair market value of the investment.

Finally, this section establishes qualified rural opportunity funds for investments in rural areas. Investors in qualified rural opportunity funds may be eligible for a 30% step up in basis if certain requirements are met.

(Sec. 70422) This section increases eligibility for the low-income housing tax credit (LIHTC) by increasing the amount that a state may allocate for the LIHTC and reducing the tax-exempt bond financing threshold.

As background, a taxpayer may claim the LIHTC for expenses incurred to rehabilitate or build rental housing for low-income tenants (1) if an allocation for the LIHTC is received from the state, or (2) a percentage of the project is financed by certain tax-exempt bonds. The amount a state may allocate for the LIHTC is calculated, in part, by multiplying a certain dollar amount (adjusted annually for inflation) by the state's population.

Under this section, beginning in 2026, the portion of the federal allocation to each state for the LIHTC that is based on the state's population is increased by 12%.

Further, this section lowers to 25% (from 50%) the tax-exempt bond threshold. Thus, under this section, if 25% or more of the aggregate basis (i.e., generally the costs) of the building and the land on which the building is located is financed with tax-exempt bonds, then the taxpayer is eligible for the LIHTC for the entire eligible basis of the project without a LIHTC allocation from the state. (If less than 25% of such basis is financed with tax-exempt bonds, then only the basis of the project that is financed with the tax-exempt bonds is eligible for the LIHTC.)

(Sec. 70423) This section permanently extends the New Markets Tax Credit (a tax credit for certain investments in eligible, low-income communities).

(Sec. 70424) This section makes permanent and increases to \$1,000 for single filers (from \$300) or \$2,000 for joint filers (from \$600 for joint filers) the tax deduction for charitable contributions made by individuals who do not itemize their federal income tax deductions.

(Sec. 70425) This section imposes a new limitation on the itemized tax deduction for charitable contributions made by individuals beginning in 2026. Under this section, an itemized tax deduction for charitable contributions is allowed only to the extent that an individual's aggregate charitable contributions exceed 0.5% of the individual's contribution base (adjusted gross income calculated without including any net operating loss carryback amount). (This limitation is generally known as the 0.5% floor for the itemized tax deduction for individual charitable contributions and does not apply to tax deductions for charitable contributions made by individuals who do not itemize their tax deductions under Section 70424 of this act.)

Further, under this section, the 0.5% floor also applies to excess charitable contributions made by individuals in 2026 or after that are carried forward to subsequent tax years. (Excess charitable contributions made prior to 2026 that are carried forward to subsequent tax year are not subject to the 0.5% floor.)

(Sec. 70426) This section further limits the tax deduction for charitable contributions made by a corporation beginning in 2026. Under this section, a tax deduction for charitable contributions made by a corporation is allowed only to the extent that the corporation's aggregate charitable contributions exceed 1% of the corporation's taxable income. (This limitation is generally known as the 1% floor for the tax deduction for charitable contributions made by a corporation.)

As a result of the 1% floor imposed by this section and existing limitations, a corporation may deduct charitable contributions only to the extent that such contributions exceed 1% of the corporation's taxable income but do not exceed 10% of the corporation's taxable income (10% limit).

Finally, under this section, special rules and limitations also apply to corporate charitable contributions carried forward to subsequent tax years.

(Sec. 70427) This section reinstates and makes permanent (beginning in 2026) the \$13.25 (currently \$10.50) per proof gallon limit on the amount that is transferred by the United States to Puerto Rico and the U.S. Virgin Islands for excise taxes collected on distilled spirits (e.g., rum) imported from Puerto Rico and the U.S. Virgin Islands.

As background, the United States imposes an excise tax of \$13.50 per proof gallon on distilled spirits produced in or imported into the United States. A certain amount of the excise tax collected on distilled spirits imported from Puerto Rico and the U.S. Virgin Islands are transferred back into the treasury of each possession. (This transfer is commonly known as the cover over or the rum cover over.) For 2022-2026, the rum cover over amount is limited to \$10.50 per proof gallon. An additional rum cover over in the amount of \$2.75 (for a total rum cover over of \$13.25) authorized by Congress expired at the end of 2021.

(Sec. 70428) This section treats participation or investment in fisheries (e.g., harvesting, processing, transportation, sales, and marketing of fish and fish products) in the Bering Sea and Aleutian Islands by certain tax-exempt Alaskan villages as substantially related to the village's tax-exempt purpose and, thus, income gained from such activities remains tax-exempt.

(Sec. 70429) This section increases to \$50,000 (from \$10,000) the limit on the tax deduction for expenses incurred by a whaling captain (as recognized by the Alaska Eskimo Whaling Commission) in carrying out sanctioned bowhead whaling activities.

(Sec. 70430) This section allows certain residential construction contracts entered into in tax years beginning after July 4, 2025, to use another permissible method of accounting (e.g., the uniform capitalization rules), rather than the percentage of completion method of accounting. (The percentage of completion method of accounting or the percentage of completion-capitalized cost accounting method of accounting is used for residential construction contracts that are not home construction contracts and that are entered into in tax years beginning on or before July 4, 2025.)

Subchapter D--Permanent Investments in Small Business and Rural America

This subchapter modifies certain reporting requirements related to third-party settlement organizations and makes changes to several other federal tax provisions.

Below is a summary of the key provisions in this subchapter.

(Sec. 70432) This section modifies the reporting requirements applicable to third-party settlement organizations (e.g., certain online platforms, apps, and card payment processors). Under this section, such organizations are required to issue Internal Revenue Service (IRS) Form 1099-K to payees who receive more than \$20,000 from more than 200 separate transactions. (This section reverses a provision in the American Rescue Plan Act of 2021 that lowered the reporting threshold to \$600 with no minimum on the number of transactions, the implementation of which was delayed and phased in by the IRS. For 2025, under current law, such organizations are required to issue IRS Form 1099-K to payees who receive more than \$2,500, regardless of the number of transactions.)

(Sec. 70434) This section expands the federal tax deduction for certain film, television, and theatrical production costs to allow a deduction of up to \$150,000 of qualified sound recording production costs in the tax year such costs are incurred. A qualified sound recording production is a sound recording that is produced and recorded in the United States. (Under current law, up to \$20 million of film, television, and theatrical production costs incurred before 2026 may be deducted.)

The section also extends bonus depreciation to qualified sound recording production costs.

(Sec. 70436) This section eliminates the \$200 excise tax imposed on the transfer of certain firearms other than machine guns and destructive devices (e.g., bombs, grenades, certain rockets, missiles, and mines). As a result, the \$200 excise tax is not applicable to silencers, short-barreled rifles and short-barreled shotguns.

Chapter 5--Ending Green New Deal Spending, Promoting America-First Energy and Other Reforms

Subchapter A--Termination of Green New Deal Subsidies

This subchapter terminates multiple energy-related federal tax credits.

Below is a summary of the provisions in this subchapter.

(Sec. 70501) This section terminates the previously-owned clean vehicle tax credit. (Thus, taxpayers may claim a tax credit of up to \$4,000 for the purchase of a qualified previously-owned clean vehicle before October 1, 2025.)

(Sec. 70502) This section terminates the clean vehicle tax credit. (Thus, taxpayers may claim a tax credit of up to \$7,500 for the purchase of a qualified new clean vehicle before October 1, 2025.)

(Sec. 70503) This section terminates the qualified commercial clean vehicle tax credit. (Thus, businesses may claim a tax credit of up to \$40,000 for the purchase of a commercial clean vehicle before October 1, 2025.)

(Sec. 70504) This section terminates the alternative fuel refueling property tax credit. (Thus, a tax credit of up to \$1,000 for individuals or up to \$100,000 for businesses is allowed for the installation of

property before July 1, 2026, that is used to store or dispense clean-burning fuel or to recharge electric vehicles.)

(Sec. 70505) This section terminates the energy efficient home improvement tax credit. (Thus, taxpayers may claim a tax credit of up to \$3,200, for certain energy-efficient property purchased and installed into a primary residence before 2026.)

(Sec. 70506) This section terminates the residential clean energy tax credit. (Thus, taxpayers may claim a tax credit for certain renewable energy equipment for a principal residence before 2026.)

(Sec. 70507) This section terminates the energy efficient commercial buildings tax deduction. (Thus, taxpayers may claim a deduction for certain energy efficient commercial property the construction of which begins before July 1, 2027.)

(Sec. 70508) This section terminates the new energy efficient home tax credit. (Thus, contractors may claim a business tax credit for constructing an energy-efficient home that is acquired by a person for use as a residence before July 1, 2026.)

(Sec. 70509) This section terminates the special five-year cost recovery period for investments in certain solar and wind property for which construction begins after December 31, 2024.

As background, costs of property used in a trade or business to produce income generally are capitalized and then depreciated or amortized over a period of time (known as the cost recovery period). The cost recovery period for property used to produce electricity generally depends on the method for producing such electricity. However, for certain solar and wind property for which construction begins on or before December 31, 2024, the cost recovery period is five years. For solar and wind property for which construction begins after December 31, 2024, the general modified accelerated cost recovery system (MACRS) and Internal Revenue Service guidance apply.

(Sec. 70510) This section disallows the zero-emission nuclear power production tax credit for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities). (The zero-emission nuclear power production tax credit generally is allowed for electricity produced at a qualified nuclear power facility and sold to an unrelated third person.)

(Sec. 70511) This section terminates the clean hydrogen production tax credit in 2028 and, thus, the tax credit is allowed only for clean hydrogen production facilities for which construction begins before January 1, 2028. (As background, prior to changes made by this section, the tax credit is available for the production of clean hydrogen by a qualifying facility for which construction begins before 2033.)

(Sec. 70512) This section terminates the clean electricity production tax credit for (1) wind and solar facilities placed into service after December 31, 2027, and (2) certain wind energy property or solar water heating property if such property is leased to a third party during the tax year. (As background, a tax credit is allowed, other than as provided by this section and subject to limitations, for clean electricity produced by a qualified facility. The tax credit is phased out beginning in the later of 2032 or when greenhouse gas emissions from the production of electricity are reduced to a certain level.)

This section also disallows the clean electricity production tax credit for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities).

Further, under this section, penalties may be imposed for (1) substantial misstatements of a certain amount related to the supply chain of manufactured products and product components for which the clean electricity production tax credit is claimed, and (2) overstating depreciable assets to claim the clean energy production tax credit. (Under this act, such penalties are also applicable to the clean electricity investment tax credit and the advanced manufacturing production tax credit.)

(Sec. 70513) This section terminates the clean electricity investment credit for (1) wind and solar property, other than energy storage technology, placed into service after December 31, 2027; and (2) certain wind energy property, solar electric property, and solar water heating property if such property is leased to a third party during the tax year. (As background, a tax credit is allowed, other than as provided by this section and subject to limitations, for certain investments in energy storage technology or a facility that is used for generating electricity with an anticipated greenhouse gas admission rate of not greater than zero.)

Under this section, the clean electricity production tax credit is not allowed for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities).

This section also sets the clean electricity production tax credit percentage to 30% (which may not be increased) for qualified fuel cell property for which construction begins after 2025. (As background, the clean electricity production tax credit is 6%, but may be increased to 30% if certain requirements are met, and further increased for property that is placed into service in certain locations, that meets certain construction requirements, or for which an allocation is received from the Clean Electricity Low-Income Communities Bonus Credit Amount Program.)

(Sec. 70514) This section terminates the advanced manufacturing production credit for wind energy components produced and sold after 2027, and for metallurgical coal (i.e., coking coal or coal used to manufacture steel) produced after 2029. This section also phases out the advanced manufacturing production tax credit for other critical minerals produced after 2030, as follows:

- 75% of the tax credit otherwise allowed for critical minerals produced in 2031,
- 50% of the tax credit otherwise allowed for critical minerals produced in 2032,
- 24% of the tax credit otherwise allowed for critical minerals produced in 2033, and
- 0% of the tax credit otherwise allowed for critical minerals produced in 2034.

Under this section, the advanced manufacturing production tax credit is not allowed for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities).

(Sec. 70515) This section provides that the Department of the Treasury may not reallocate amounts that are (1) allocated for the qualified advanced energy projects tax credit, and (2) subsequently revoked. (As background, the Treasury may allocate up to \$10 billion [in the form of a tax credit] to taxpayers for approved investments in certain advanced energy projects, subject to certain conditions

and limitations. An allocation of the tax credit may be revoked if the project is not completed on time or certain other requirements are not met.)

Subchapter B--Enhancement of America-First Energy Policy

This subchapter modifies multiple energy-related federal tax provisions and makes changes to the calculation of the corporate alternative minimum tax.

Below is a summary of the key provisions in this subchapter.

(Sec. 70521) This section extends the clean fuel production tax credit through 2029 and

- requires that clean fuels produced from feedstock use feedstock sourced from the United States, Canada, or Mexico;
- excludes emissions attributable to an indirect land use change from the calculation of lifecycle emissions estimates (used in part of the calculation of the clean fuel production tax credit); and
- requires the Department of the Treasury to provide distinct emission rates for specific feedstocks used to produce clean fuels, including dairy manure, swine manure, and poultry manure.

This section also disallows the clean fuel production tax credit for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities).

(Sec. 70522) This section increases the carbon oxide sequestration tax credit to \$17 (from \$12) per metric ton for qualified carbon dioxide used (1) as a tertiary injectant in a qualified oil or gas natural recovery project and then securely stored or (2) by fixing such carbon dioxide through photosynthesis or chemosynthesis, chemical conversion, or for some other commercial market purpose. (As a result, the same carbon oxide sequestration tax credit applies to carbon oxide captured and sequestered and carbon dioxide captured, used, and then sequestered.)

This section also disallows the carbon oxide sequestration tax credit for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities).

(Sec. 70523) This section allows corporations to reduce their adjusted financial statement income (for purposes of calculating the corporate alternative minimum tax) to account for certain intangible costs related to oil, gas, or geothermal well drilling and development.

(Sec. 70525) This section provides for a refund of previously imposed and paid excise taxes upon the transfer of nontaxable, indelibly dyed diesel fuel or kerosene used for agricultural, off-road, or other nontaxable purposes.

Subchapter C--Other Reforms

This subchapter eliminates the de minimis exemption for certain imports into the United States and establishes a new civil penalty for using such exemption in a manner that violates U.S. customs laws.

Below is a summary of the provision in this subchapter.

(Sec. 70531) This section eliminates the exemption from certain duties, fees, and processes for imports of up to \$800 (commonly referred to as the de minimis exemption), effective July 1, 2027.

Further, this section establishes a civil penalty for entering, introducing, facilitating, or attempting to introduce an article into the United States using the de minimis exemption in a manner that violates U.S. customs laws. The amount of the civil penalty is up to \$5,000 for the first violation and up to \$10,000 for subsequent violations.

Chapter 6--Enhancing Deduction and Income Tax Credit Guardrails, and Other Reforms

This chapter modifies various federal tax deductions and credits.

Below is a summary of the key provisions in this subchapter.

(Sec. 70604) This section establishes a 1% excise tax on transfers of payments from one country to another (also known as remittance transfers). The excise tax is imposed on the sender of the remittance transfer and collected and remitted to the Department of the Treasury (quarterly) by the transfer provider.

Under this section, the excise tax applies only to remittance transfers for which the sender provides cash, a money order, a cashier's check, or other similar physical instrument to the transfer provider. The excise tax does not apply to remittance transfers if (1) the funds are withdrawn from an account held at certain financial institutions, or (2) funded with a debit card or credit card issued in the United States.

(Sec. 70606) This section requires an individual to provide a Social Security number to be eligible for the American Opportunity and Lifetime Learning tax credits.

(Sec. 70607) This section directs the Internal Revenue Service to deliver a report to Congress on tax filing programs. Specifically

- the cost of enhancing and establishing public-private partnerships that provide for free tax filing for up to 70% of all taxpayers (calculated by adjusted gross income),
- the cost to replace any direct e-file programs run by the Internal Revenue Service,
- taxpayer opinions and preferences regarding a taxpayer-funded, government-run tax filing service or a free tax filing service provided by the private sector,
- assessment of the feasibility of providing simple and consistent options across participating tax filing providers, and
- the cost of developing and running a free direct e-file tax return system..

Subtitle B--Health

Chapter 1--Medicaid

Subchapter A--Reducing Fraud and Improving Enrollment Processes

(Sec. 71101) This section delays until FY2035 implementation of certain provisions of the rule titled *Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment*, which was issued by the Centers for Medicare & Medicaid Services (CMS) on September 21, 2023.

Specifically, the section delays provisions of the rule that (1) specify that individuals who must pay a premium to enroll in Medicare hospital services, reside in a group payer state, and enroll during a general enrollment period may qualify for Medicare Savings Programs (MSPs) as early as the month of their entitlement to Medicare hospital services; (2) require states to use certain data from the Social Security Administration (SSA) to facilitate the enrollment of qualifying individuals in both MSPs and the Low-Income Subsidy (LIS) program under the Medicare prescription drug benefit; and (3) align the definition of family size under MSPs with the definition under the LIS program.

(MSPs allow individuals to receive Medicare cost-sharing and premium assistance from state Medicaid programs if they meet certain income and resource criteria. The LIS program, also known as the Extra Help program, provides similar assistance with respect to cost-sharing for covered drugs under the Medicare prescription drug benefit.)

The section provides \$1 million for FY2026 for the CMS to implement this section and Sec. 71102 of this act.

(Sec. 71102) This section delays until FY2035 implementation of certain provisions of the rule titled *Medicaid Program; Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes*, which was issued by the CMS on April 2, 2024.

Specifically, the section delays provisions of the rule that, among other changes, (1) allow state Medicaid programs to verify an individual's U.S. citizenship and identity through certain systems without additional proof of identity; (2) align certain Medicaid enrollment processes for those whose eligibility is not based on income with those that are based on income; and (3) establish additional timelines for Medicaid eligibility terminations, including when there is a change in an individual's circumstances.

(Sec. 71103) This section requires the CMS to establish a centralized system for states to check whether enrollees are simultaneously enrolled in Medicaid or the Children's Health Insurance Program (CHIP) in multiple states.

Beginning no later than 2027, states must regularly obtain the addresses of Medicaid and CHIP enrollees from specified authorized sources. Beginning no later than FY2030, states must report on at least a monthly basis the Social Security numbers of enrollees to the CMS' newly established system. The CMS must notify states on at least a monthly basis of individuals who are enrolled in multiple states so that states may take appropriate action.

The section provides \$10 million for FY2026 and \$20 million for FY2029 for the CMS to establish and maintain the new system, respectively.

(Sec. 71104) This section requires state Medicaid programs to check, beginning in 2028, the SSA's Death Master File on at least a quarterly basis to determine whether Medicaid enrollees are deceased.

(Sec. 71105) This section provides statutory authority for the requirement that state Medicaid programs check, as part of the provider enrollment and reenrollment process, whether providers are deceased through the SSA's Death Master File. Beginning in 2028, the section requires states to continue to check this database on at least a quarterly basis after providers are enrolled.

(Sec. 71106) This section includes Medicaid payments to individuals for whom there is insufficient information as to their eligibility as erroneous excess payments that may ultimately reduce a state's federal matching funds. These changes apply beginning in FY2030.

(Sec. 71107) This section requires state Medicaid programs to redetermine every six months, beginning with the first quarter after December 31, 2026, the eligibility of individuals who are enrolled in Medicaid as part of the Medicaid expansion population under the Patient Protection and Affordable Care Act. (That act allows states to extend Medicaid coverage to all adults under the age of 65 with incomes of up to 138% of the federal poverty level, including able-bodied adults without dependent children.)

The section provides \$75 million for FY2026 for the CMS to implement these provisions.

(Sec. 71108) This section caps home equity limits for Medicaid nursing facility or other long-term care services beginning in 2028.

Currently, in order to qualify for such services, an individual's home equity may not exceed certain limits, as set by states in accordance with federal standards and adjusted annually for inflation. For 2025, home equity limits set by states must be between \$730,000 and \$1,097,000.

The section caps the maximum home equity limit to \$1 million, regardless of inflation. This limit does not apply to homes located on agricultural lots.

(Sec. 71109) This section generally restricts, beginning in FY2027, federal payment for Medicaid and CHIP to services for individuals who are U.S. residents and are either U.S. citizens, lawful permanent residents, Cuban-Haitian entrants, or Compact of Free Association migrants lawfully residing in the United States. The restrictions do not apply to certain mandatory emergency services provided to individuals who are not lawfully residing in the United States or to optional services provided to certain lawfully residing children and pregnant women.

Current law authorizes federal payment with respect to additional categories of individuals, including refugees; noncitizens granted parole for at least one year, asylum, or related relief; and Violence Against Women Act (VAWA) self-petitioners. The section excludes these individuals from eligibility.

The section provides \$15 million for FY2026 for the CMS to implement these provisions.

(Sec. 71110) This section reduces the Medicaid federal matching rate for emergency services provided to individuals who are not lawfully residing in the United States but who would otherwise qualify for

Medicaid as part of the Medicaid expansion population in states that have expanded Medicaid. Specifically, the section limits, beginning in FY2027, the Medicaid federal matching rate for emergency services provided to individuals who are not lawfully residing in the United States to the same matching rate as would otherwise apply for such services (rather than the enhanced federal matching rate for states that have expanded Medicaid).

The section provides \$1 million for FY2026 for the CMS to implement these provisions.

Subchapter B--Preventing Wasteful Spending

(Sec. 71111) This section delays until FY2035 implementation of certain provisions of the rule titled *Medicare and Medicaid Programs; Minimum Staffing Standards for Long-Term Care Facilities and Medicaid Institutional Payment Transparency Reporting*, which was issued by the CMS on May 10, 2024.

Specifically, the section delays provisions of the rule that, among other changes, (1) establish minimum staffing standards for nurses in Medicare and Medicaid long-term care facilities, including requiring a nurse to be onsite 24/7 and requiring a minimum of 3.48 total nurse staffing hours per resident per day; and (2) require state Medicaid programs to report on payments to direct care workers and support staff of nursing facilities and intermediate care facilities for individuals with intellectual disabilities.

(Sec. 71112) This section shortens the window for retroactive Medicaid coverage. Specifically, the section specifies that, beginning with the first quarter after December 31, 2026, Medicaid coverage may begin retroactively (1) for individuals in the Medicaid expansion population, one month prior to the application filing date; and (2) for all other individuals, two months prior to the application filing date. Additionally, CHIP coverage may retroactively begin two months prior to the application filing date. (Currently, coverage may begin three months prior to the application filing date.)

The section provides \$10 million for FY2026 for the CMS to implement these provisions.

(Sec. 71113) This section prohibits federal Medicaid payment for one year to nonprofit health care providers that serve predominantly low-income, medically underserved individuals (i.e., essential community providers) if the provider (1) primarily furnishes family planning services, reproductive health, and related care; (2) offers abortions in cases other than that of rape, incest, or life-threatening conditions for the woman; and (3) in FY2023, received federal and state Medicaid payments totaling more than \$800,000.

The section provides \$1 million for FY2026 for the CMS to implement these provisions.

Subchapter C--Stopping Abusive Financing Practices

(Sec. 71114) This section requires states that had not chosen to expand Medicaid pursuant to the Patient Protection and Affordable Care Act prior to March 11, 2021, to do so by January 1, 2026, in order to receive the corresponding enhanced federal matching rate.

(Sec. 71115) This section generally limits Medicaid provider taxes beginning in FY2027.

Under current law, states may impose a provider tax of up to 6% of net patient service revenues to potentially receive additional federal matching funds. The section precludes states that have not expanded Medicaid from increasing the rate of a provider tax beyond that currently in effect in order to qualify for federal matching funds. For states that have expanded Medicaid, a provider tax may not exceed the current rate or a specified rate, whichever is lower; the maximum rate gradually decreases from FY2028-FY2032, with a maximum rate of 3.5% beginning in FY2032 (these limits do not apply to nursing and intermediate care facilities, which are instead limited to current rates). The section additionally precludes states from imposing a new provider tax if there is not already one in effect.

The section provides \$20 million for FY2026 for the CMS to implement these provisions.

(Sec. 71116) This section provides \$7 million per fiscal year for FY2026-FY2033 for the CMS to revise regulations so as to limit state-directed payments for inpatient hospital services, outpatient hospital services, nursing facility services, and qualified practitioner services at an academic medical center under Medicaid managed care contracts to the payment rate for services under Medicare, rather than the average commercial rate. For states that cover the Medicaid expansion population, payment is limited to 100% of the Medicare rate; for other states, payment is limited to 110% of the Medicare rate.

Subchapter D--Increasing Personal Accountability

(Sec. 71119) This section requires, beginning not later than the first quarter after December 31, 2026 (or earlier, at the option of the state), individuals who are eligible for Medicaid as part of the Medicaid expansion population to engage in community service, work, or other activities in order to qualify for Medicaid.

Specifically, the section requires these individuals to, on a monthly basis, (1) work at least 80 hours, (2) complete at least 80 hours of community service, (3) participate in a work program for at least 80 hours, (4) be enrolled at least half-time in an educational program, or (5) engage in any combination thereof for a total of at least 80 hours. Individuals may also qualify if they have a monthly income (or, for seasonal workers, an average monthly income over six months) that is at least as much as the equivalent of minimum wage multiplied by 80 hours.

Individuals who are applying for Medicaid must demonstrate compliance with these requirements for one to three months (as determined by the state) consecutively and immediately prior to filing an application; individuals who are already enrolled in Medicaid must demonstrate compliance for one month or more (as determined by the state), whether or not consecutive, during the period between the individual's last eligibility determination and the next scheduled eligibility determination.

States must verify an individual's compliance upon a determination or redetermination of eligibility but may also choose to verify compliance more frequently. States may not waive the new requirements. However, states may choose to provide an exception for individuals experiencing short-term hardships (e.g., hospitalization).

The section excludes certain individuals from these requirements, including those with serious medical conditions or with dependent children aged 13 or younger.

Upon request, the CMS may exempt a state from fully implementing these requirements until December 31, 2028. States requesting an exemption must demonstrate good faith efforts to comply with the requirements and provide a detailed timeline for implementation.

The section provides \$200 million to states and \$200 million to the CMS for FY2026 to implement these requirements.

(Sec. 71120) This section requires, beginning in FY2029, states to institute cost-sharing requirements for individuals who are eligible for Medicaid as part of the Medicaid expansion population and whose family income exceeds the federal poverty line. Cost sharing may not exceed \$35 for an item or service; total cost sharing for all individuals in a family may not exceed 5% of the family's income.

The requirements do not apply to (1) services for which cost sharing is already prohibited (e.g., emergency services); (2) primary care, mental health, or substance use disorder services; or (3) services provided by federally qualified health centers, certified community behavioral health clinics, or rural health clinics. States may allow providers to condition the provision of services upon the payment of any required cost sharing.

The section provides \$15 million for FY2026 for the CMS to implement these provisions.

Subchapter E--Expanding Access to Care

(Sec. 71121) This section authorizes additional home and community-based services (HCBS) waivers (also known as Section 1915(c) waivers) for state Medicaid programs beginning on July 1, 2028. States may seek waivers to provide HCBS to individuals without the need for certain determinations as to whether an individual requires hospital or institutional care (as is required for current waivers). States must establish other needs-based criteria for such services.

The section provides \$50 million for FY2026 for the CMS to implement these provisions. It also provides \$100 million for FY2027 to support state HCBS programs.

Chapter 2--Medicare

Subchapter A--Strengthening Eligibility Requirements

(Sec. 71201) This section generally restricts Medicare eligibility to U.S. citizens, lawful permanent residents, Cuban-Haitian entrants, and Compact of Free Association migrants lawfully residing in the United States. The SSA must identify Medicare enrollees who do not meet these requirements and terminate their enrollment within 18 months of this section's enactment.

Current law authorizes additional categories of individuals who are lawfully present in the United States to qualify for Medicare, including refugees; noncitizens granted parole for at least one year, asylum, or related relief; noncitizens with Temporary Protected Status; and noncitizens with deferred

action, including Deferred Action for Childhood Arrivals (DACA) recipients. The section excludes these individuals from eligibility.

(Sec. 71202) This section increases payments under the Medicare physician fee schedule for services furnished between January 1, 2026, and January 1, 2027.

Subchapter B--Improving Services for Seniors

(Sec. 71203) This section modifies certain provisions under the Medicare Drug Price Negotiation Program with respect to orphan drugs, including by excluding additional orphan drugs from qualifying for negotiation.

The Medicare Drug Price Negotiation Program requires the CMS to negotiate the prices of certain prescription drugs under Medicare beginning in 2026. Among other requirements, drugs must have had market approval for at least 7 years (for drug products) or 11 years (for biologics) to qualify for negotiation. The program does not apply to orphan drugs that are approved to treat only one rare disease or condition.

The section modifies these provisions so as to exclude any period in which a drug was an orphan drug from market approval calculations. It also excludes orphan drugs that are approved to treat more than one rare disease or condition from the program. The changes take effect in 2028.

Chapter 3--Health Tax

Subchapter A-- Improving Eligibility Criteria

This subchapter modifies eligibility and verification requirements for the premium tax credit (which may be used to purchase health insurance on an exchange).

Below is a summary of the provisions in this subchapter.

(Sec. 71301) This section limits a lawfully-present alien's eligibility for the premium tax credit to

- an alien who is lawfully admitted for permanent residence;
- an alien who has been granted the status of Cuban and Haitian entrant; or
- an individual who is lawfully residing in the United States in accordance with the Compacts of Free Association between the United States and Micronesia, the Marshall Islands, and Palau.

(Sec. 71302) This section repeals the rule that allows certain lawfully-present aliens who have a household income of less than 100% of the federal poverty level and are ineligible for Medicaid (based on the individual's alien status) to claim the premium tax credit.

Subchapter B--Preventing Waste, Fraud, and Abuse

This subchapter requires verification of certain information supplied by individuals for purposes of determining eligibility for the premium tax credit, limits use of the premium tax credit, and expands

recapture of excess advance payments of the premium tax credit.

Below is a summary of the provisions of this subchapter.

(Sec. 71303) This section requires the verification, beginning in 2028, of certain information for an individual to enroll in a health insurance plan through a health insurance exchange and to generally qualify for the premium tax credit. (Under current law, eligible individuals are allowed a premium tax credit, which applies toward the cost of obtaining health insurance through health insurance exchanges.)

Specifically, under this section, a health insurance exchange must verify, using applicable enrollment information provided (or verified) by an individual, the following information:

- household income and family size,
- whether the individual is an eligible alien,
- any health coverage status or eligibility for coverage,
- place of residence, and
- any other information required by the Department of the Treasury.

The verification requirements may be waived for individuals who enroll in a health insurance plan through a health insurance exchange during a special enrollment period due to a change in family size.

(Sec. 71304) This section provides that the premium tax credit is not allowed for any health insurance plan enrolled in through a health insurance exchange during a special enrollment period provided by such exchange (1) on the basis of the relationship between the individual's expected household income to the federal poverty level, and (2) not in connection with the occurrence of an event or change in circumstances specified by the Department of Health and Human Services for such purposes.

(Sec. 71305) This section eliminates the limit on the recapture of excess advance payments of the premium tax credit and, accordingly, allows the full amount of any such excess payments to be recaptured. (Under current law, individuals with incomes below 400% of the federal poverty level may be required to pay back only a portion of any excess advance payment of the premium tax credit.)

Subchapter C--Enhancing Choice for Patients

This subchapter expands health savings account (HSA) eligibility requirements.

As background, individuals may establish and contribute to an HSA if they are covered under a high-deductible health plan (HDHP) and not covered under a health plan that (1) is not an HDHP and (2) provides coverage for any benefits that is covered under the HDHP (subject to certain exceptions).

Below is a summary of the provisions in this subchapter.

(Sec. 71306) This section allows individuals to establish and make tax-deductible contributions to a health savings account (HSA) if covered by a health insurance plan that provides telehealth and other

remote care services without requiring a deductible but otherwise meets the requirements of an HDHP.

(Sec. 71307) This section expands eligibility to make tax-deductible HSA contributions to include individuals who have a bronze-level or catastrophic health insurance plan through a health insurance exchange. (A bronze-level health insurance plan provided through a health insurance exchange may or may not qualify as a HDHP, depending on the specific plan features. Catastrophic health plans provided through a health insurance exchange generally do not meet the requirements of a HDHP.)

(Sec. 71308) This section expands eligibility to make tax-deductible HSA contributions to include individuals who have a direct primary care service arrangement with a fixed period fee that does not exceed \$150 a month (or \$300 a month if the arrangement covers more than one individual). The amounts are adjusted annually for inflation. (Some limitations apply.)

Chapter 4--Protecting Rural Hospitals and Providers

(Sec. 71401) This section provides \$10 billion per fiscal year for FY2026-FY2030 for a program that supports the provision of health care in rural areas.

Under the program, states may apply for financial allotments to improve the access and quality of care of services in rural areas, such as through enhanced technology, strategic partnerships, and workforce training. States must submit detailed rural health transformation plans and certify that no funds will be used to finance the non-federal share of Medicaid or CHIP. The CMS must approve or deny applications by December 31, 2025; states that receive approval do not need to reapply each year. States are not required to contribute any matching funds with respect to program allotments.

The CMS must award allotments so that 50% of funds are awarded equally among all approved states. The remaining 50% of funds must be awarded based on certain considerations, including the proportion of rural health facilities in the state compared to the number of such facilities nationwide.

The section additionally provides \$200 million for FY2025 for the CMS to implement the program.

Subtitle C--Increase in Debt Limit

(Sec. 72001) This section increases the statutory debt limit by \$5 trillion. (The debt limit is the amount of money that the Department of the Treasury may borrow to fund federal operations.)

Subtitle D--Unemployment

(Sec. 73001) This section prohibits payments under federal unemployment programs to individuals whose wages are \$1 million or more. Such programs must include a method for individuals to certify that their income does not exceed this limit. State agencies that administer such programs must verify income information, to the extent possible, and provide for the recovery of any overpayments.

TITLE VIII--COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

This title makes various changes to higher education, particularly to the federal student loan system.

Subtitle A--Exemption of Certain Assets

(Sec. 80001) This section exempts the assets of certain family farms, family-owned small businesses, and family-owned commercial fishing businesses from the information reported on the Free Application for Federal Student Aid (FAFSA) form.

This exemption applies to the net worth of (1) a family farm on which the family resides, (2) a small business with not more than 100 full-time or full-time equivalent employees that is owned and controlled by the family, or (3) a commercial fishing business and related expenses (e.g., fishing vessels and permits) owned and controlled by the family.

Prior to recent changes made to the FAFSA, the net worth of these family farms and family-owned small businesses were excluded as assets when calculating a student's financial need to determine federal student aid eligibility. Beginning with the 2024-2025 academic year, the net worth of these farms and businesses are treated as an asset and therefore included in the calculation. This section (1) restores the exemption to exclude the net worth of these family farms and family-owned small businesses from the calculation, and (2) expands the exemption to exclude the net worth of family-owned commercial fisheries from the calculation.

Subtitle B--Loan Limits

This subtitle makes various changes to federal student loans.

(Sec. 81001) This section revises the types of federal student loans available to borrowers under the Direct Loan program and the borrowing limits for these loans.

The section terminates the ability of graduate or professional students to receive Direct PLUS Loans (i.e., Grad PLUS Loans) beginning on July 1, 2026.

The section revises the annual and aggregate limits an individual may borrow in Direct Loans. In particular, the section establishes the aggregate loan limit for Direct Unsubsidized Loans as \$100,000 for a graduate student (in addition to the amount borrowed for undergraduate education) and \$200,000 for a professional student (in addition to the amount borrowed for undergraduate education).

The section also places certain restrictions on Parent PLUS Loans beginning on July 1, 2026. In particular, the section sets an annual loan limit of \$20,000 that may be borrowed on behalf of a dependent undergraduate student and a lifetime borrowing limit of \$65,000 per dependent undergraduate student.

The section also institutes new maximum aggregate limits for borrowers beginning on July 1, 2026. For example, the section sets an overall aggregate lifetime borrowing limit of \$257,500 for any single borrower across federal loan types (except for Parent PLUS Loans).

The section provides an exception to the loan limits described in this section (of up to three academic years) for a student who is already enrolled in a program of study and received a loan for the program.

The section also requires that a student's loan amount for an academic year be prorated based on their enrollment intensity if the student is enrolled on a less-than-full-time basis.

The section allows institutions of higher education (IHEs) to set lower loan limits if the limit is applied consistently to all students enrolled in the program.

Subtitle C--Loan Repayment

This subtitle revises loan repayment options for federal student loans.

(Sec. 82001) This section terminates all current student loan repayment plans for new loans disbursed on or after July 1, 2026.

The Department of Education (ED) may only offer borrowers two options for repayment of federal student loans: a standard repayment plan (with the length of the repayment term determined by the total amount borrowed) and an income-based repayment plan (to be known as the Repayment Assistance Plan, or RAP). Consequently, borrowers with new loans made on or after July 1, 2026, are limited to these two repayment plans.

Beginning on July 1, 2028, a borrower with a loan that is in a repayment status in accordance with, or an administrative forbearance associated with, an income-contingent repayment plan must begin repaying the loan under a new repayment plan. This applies to current borrowers who are on the following repayment plans: (1) the Saving on a Valuable Education (SAVE) plan, (2) the Pay as You Earn (PAYE) plan, or (3) the Income-Contingent Repayment (ICR) plan. If a borrower does not select a plan, ED must enroll the borrower in either the RAP or the standard repayment plan.

(Sec. 82002) This section eliminates economic hardship and unemployment deferments for borrowers who receive a federal student loan on or after July 1, 2027. A borrower who receives a loan on or after July 1, 2027, may only be eligible for a discretionary forbearance for no more than 9 months during a 24-month period.

(Sec. 82003) This section allows borrowers to rehabilitate a defaulted loan twice (currently, only once). However, beginning on July 1, 2027, the borrower must pay a minimum payment amount of \$10.

(Sec. 82004) This section allows payments under the new RAP to count as qualifying payments for purposes of the Public Service Loan Forgiveness (PSLF) program.

(Sec. 82005) This section provides funding to ED for administrative costs, including for the costs of student loan servicing.

Subtitle D--Pell Grants

This subtitle makes changes to Pell Grants.

(Sec. 83001) This section requires foreign income that is exempt from taxation or foreign income for which an individual receives a foreign tax credit to be included in the adjusted gross income calculation for purposes of calculating eligibility for Pell Grants.

Students with a student aid index (SAI) that equals or exceeds twice the amount of the total maximum Pell Grant are ineligible for Pell Grants, regardless of their adjusted gross income. (The SAI is a formula-based index number that represents a student's level of financial need. It is calculated using information that the student provides on the FAFSA form.)

The section's changes take effect beginning on July 1, 2026.

(Sec. 83002) This section requires ED to award Workforce Pell Grants to students enrolled in eligible workforce programs. Eligible programs are those that provide at least 150 clock hours (but less than 600 clock hours) of instruction during a minimum of 8 weeks (but less than 15 weeks).

The section's changes take effect beginning on July 1, 2026.

(Sec. 83003) This section provides additional funding of \$10.5 billion for Pell Grants for FY2026.

(Sec. 83004) This section makes a student ineligible for Pell Grants if the student receives grant aid from nonfederal sources (e.g., states, IHEs, or private sources) in an amount that equals or exceeds the student's cost of attendance.

The section's changes take effect beginning on July 1, 2026.

Subtitle E--Accountability

(Sec. 84001) This section requires IHEs participating in federal student loan programs to comply with median earning requirements of students. Specifically, the section prohibits an IHE from using federal funds for student enrollment in low-earning outcome programs. Low-earning outcome programs are educational programs in which the graduating cohort of students earn less as working adults compared to those with lesser degrees (e.g., a high school diploma instead of a bachelor's degree).

If an educational program does not meet the median earning requirements, the IHE must promptly notify each student enrolled in the program.

ED must establish a process for an IHE with an educational program that has lost eligibility for federal funds to be able to apply to regain eligibility for such funds.

IHEs must comply with these requirements beginning on July 1, 2026.

Subtitle F--Regulatory Relief

(Sec. 85001) This section delays until July 1, 2035, ED regulations pertaining to borrower defense to repayment. (Borrower defense to repayment is a legal ground for discharging Direct Loans if a school engaged in certain misconduct.) For loans that first originated before July 1, 2035, the section restores those regulations that were in effect on July 1, 2020. (Among other elements, the regulations in effect on July 1, 2020, require borrowers to meet a strict standard of misrepresentation to be eligible for a borrower defense discharge.)

(Sec. 85002) This section delays until July 1, 2035, ED regulations pertaining to closed school discharges. (Under closed school discharge regulations, a borrower's liability to repay a federal student loan is discharged if the borrower does not complete the program of study for which the loan was made because the school the borrower attended has closed.) For loans that first originated before July 1, 2035, the section restores those regulations that were in effect prior to changes made in November 2022. (Prior to the 2022 regulations, two different sets of standards and procedures were applied to closed school discharges, depending on when a loan was disbursed.)

Subtitle G--Garden of Heroes

(Sec. 86001) This section provides \$40 million for FY2025 to the National Endowment for the Humanities (1) to establish and maintain a statuary park named the National Garden of American Heroes; (2) to procure statues for the National Garden of American Heroes; and (3) for events, celebrations, and activities related to the 250th anniversary of America's founding.

Subtitle H--Office of Refugee Resettlement

(Sec. 87001) This section provides \$300 million for FY2025 to the Office of Refugee Resettlement for specified activities, such as background checks and home studies of potential sponsors of unaccompanied children.

TITLE IX--COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Subtitle A--Homeland Security Provisions

This subtitle provides funding for border security.

(Sec. 90001) This section provides over \$46 billion in funding through FY2029 to U.S. Customs and Border Protection (CBP) for construction, installation, or improvement to barriers; access roads; detection technology; and other work to prepare the ground at or near the U.S. border.

(Sec. 90002) This section provides over \$12 billion in funding through FY2029 for CBP personnel, bonuses, facilities, and fleet vehicles.

(Sec. 90003) This section provides \$45 billion in funding through FY2029 to the U.S. Immigration and Customs Enforcement (ICE) for increased capacity in detention facilities for the purposes of detaining adults and families who are non-U.S. nationals (aliens under federal law).

(Sec. 90004) This section provides over \$6 billion in funding through FY2029 for CBP inspection and surveillance equipment, screenings (including of unaccompanied children), rapid air and marine response capabilities, vetting, and activities to prevent drug trafficking.

(Sec. 90005) This section provides funding to the Federal Emergency Management Agency (FEMA) to be administered through the State Homeland Security Grant Program. Specifically, it provides through FY2029 (1) \$500 million to assist state and local authorities to detect, identify, track, or monitor unmanned aircraft systems; (2) \$625 million for security, planning, and other costs related to the 2026 FIFA World Cup; (3) \$1 billion for security, planning, and other costs related to the 2028 Olympics; and (4) \$450 million for the Operation Stonegarden grant program, which provides support for enhanced cooperation and coordination between federal, state, local, and tribal governments to improve border security.

The section also establishes a \$10 billion fund available through FY2034 in the Department of Homeland Security (DHS) to reimburse states and units of local government for costs associated with border security actions taken on or after January 20, 2021. Specifically, DHS shall provide grants for (1) barriers along the southern U.S. border, (2) the detection and interception of certain individuals and illicit drugs, and (3) the relocation of non-U.S. nationals (aliens under federal law) from small population centers to other domestic locations.

(Sec. 90006) This section provides \$300 million in funding through FY2029 to FEMA to reimburse state and local law enforcement for extraordinary costs associated with protecting a residence of the President.

(Sec. 90007) This section provides \$10 billion in funding through FY2029 to DHS for reimbursement of costs incurred for activities in support of safeguarding U.S. borders.

Subtitle B--Governmental Affairs Provisions

This subtitle revises the Federal Employees Health Benefits (FEHB) Program.

FEHB Protection Act of 2025

(Sec. 90101) This section requires the Office of Personnel Management (OPM) to issue regulations and implement a process to verify (1) the veracity of any qualifying life event through which an enrollee in the FEHB Program seeks to add a family member for coverage under the program; and (2) that, when an enrollee seeks to add a family member to the FEHB program, the individual added is a qualifying family member.

The section also requires OPM to conduct a comprehensive audit regarding family members enrolled in the FEHB program. In conducting this audit, OPM must review marriage certificates, birth certificates, and other appropriate documents to determine eligibility.

OPM must develop a process to disenroll or remove an individual who is not eligible to participate in the FEHB program.

The section allows for \$66 million of the Employees Health Benefits Fund to be available to OPM FY2026 through FY2035 to carry out eligibility verification requirements and audit activities.

(Sec. 90102) This section provides \$88 million in FY2026 funding for the Pandemic Response Accountability Committee to support oversight of the coronavirus response and of funds provided pertaining to the coronavirus pandemic. The section extends the committee to September 30, 2034 (currently, the committee terminates on September 30, 2025).

(Sec. 90103) This section provides \$100 million in funding through FY2029 to the Office of Management and Budget for purposes of finding budget and accounting efficiencies in the executive branch.

TITLE X--COMMITTEE ON THE JUDICIARY

Subtitle A--Immigration and Law Enforcement Matters

Part I--Immigration Fees

This part establishes additional or increased fees for various immigration programs and procedures.

(Sec. 100002) This section establishes a fee of at least \$100 for applications for asylum.

(Sec. 100003) This section establishes a fee of at least \$550 for asylees, parolees, or individuals granted temporary protected status who are applying for initial employment authorization.

(Sec. 100004) This section establishes a fee of at least \$1,000 for non-U.S. nationals (aliens under federal law) paroled into the United States. This section provides exceptions on a case-by-case basis, such as in situations involving a life-threatening medical emergency.

(Sec. 100005) This section establishes a fee of at least \$250 for applications for special immigrant juvenile status.

(Sec. 100006) This section increases the maximum fee for applications for temporary protected status to \$500.

(Sec. 100007) This section establishes a fee of at least \$250 for individuals issued a nonimmigrant visa. This fee may be reimbursed to individuals who comply with conditions of the visa.

(Sec. 100008) This section establishes a fee of at least \$24 for applications for nonimmigrants to be admitted to the United States (i.e., an I-94 Arrival-Departure Record).

(Sec. 100009) This section establishes a fee of at least \$100 per calendar year that an individual's asylum application remains pending.

(Sec. 100010) This section establishes a fee of at least \$275 for parolees who are seeking a renewal or extension of employment authorization.

(Sec. 100011) This section establishes a fee of at least \$275 for asylees who are seeking a renewal or extension of employment authorization.

(Sec. 100012) This section establishes a fee of at least \$275 for individuals with temporary protected status who are seeking a renewal or extension of employment authorization.

(Sec. 100013) This section establishes various fees for specified judicial and adjudicative filings, including at least

- \$1,500 for filing in immigrant court an application to adjust an individual's status to a lawful permanent resident,
- \$1,050 for filing in immigration court an application for waiver of grounds of inadmissibility,
- \$500 for filing in immigration court an application for temporary protected status,
- \$900 for filing an appeal of a decision of an immigration judge or a DHS officer,
- \$1,325 for a practitioner filing an appeal in a disciplinary case,
- \$900 for filing a motion to reopen or reconsider the decision of an immigration judge or the Board of Immigration Appeals,
- \$600 for filing in immigration court an application for a suspension of deportation,
- \$600 for filing in immigration court an application for cancellation of the removal of a lawful permanent resident, and
- \$1,500 for filing in immigration court an application for cancellation of removal and adjustment of status for any non-U.S. national (alien under federal law).

(Sec. 100014) This section extends to October 31, 2034, the fee charged for the use of an automated electronic system for travel authorization. The system collects information to determine the eligibility of an alien to travel to the United States. This section also sets minimums for the fee.

(Sec. 100015) This section establishes a fee of at least \$30 for individuals who enroll in the electronic visa update system.

(Sec. 100016) This section establishes a fee of at least \$5000 for individuals who are ordered removed in absentia and are subsequently arrested by ICE.

(Sec. 100017) This section establishes a fee of at least \$5000 for individuals who are inadmissible and apprehended between ports of entry.

(Sec. 100018) This section makes the imposition of an application fee for asylum mandatory rather than discretionary as under current law. The section also removes the limit on this fee and discontinues installment payments for this fee.

Part II--Immigration and Law Enforcement Funding

(Sec. 100051) This section provides over \$2 billion in funding through FY2029 to DHS for

- immigration and enforcement activities;
- the removal of individuals, including specified unaccompanied children, individuals who have not been admitted or paroled, or individuals who are inadmissible on security grounds;
- criminal and gang checks for unaccompanied children who are 12 years of age or older; personnel;
- the collection of fingerprints and DNA from individuals without a valid visa;
- state and local participation in homeland security efforts; and
- information technology.

(Sec. 100052) This section provides over \$29 billion in funding through FY2029 for ICE for hiring and training, certain bonuses, recruitment and onboarding, transportation for departure or removal operations, information technology, facilities, fleets, the care and custody of certain detained families, supporting agreements under which immigration officer functions are performed by states, and hiring for the Victims of Immigration Crime Engagement Office and the Office of the Principal Legal Advisor of DHS.

(Sec. 100053) This section provides \$750 million in funding through FY2029 for training and facilities at DHS Federal Law Enforcement Training Centers.

(Sec. 100054) This section provides over \$3 billion in funding through FY2029 to the Department of Justice for the Executive Office of Immigration Review, to counter drug trafficking, prosecution of immigration matters, staffing for matters concerning non-party or other injunctive relief against the federal government, specified grants related to crime and immigration enforcement, staffing for matters prioritizing certain lawsuit settlements, and providing compensation to states and localities for incarcerating certain non-U.S. national criminals.

(Sec. 100055) This section provides \$3.5 billion in funding through FY2028 to reimburse states and units of local government for costs associated with locating and apprehending certain criminals, in addition to other activities taken on or after January 20, 2021.

(Sec. 100056) This section provides \$5 billion in funding through FY2029 for the Bureau of Prisons for salaries, benefits, and facilities.

(Sec. 100057) This section provides over \$1 billion in funding through FY2029 for the U.S. Secret Service for personnel, bonuses, training facilities, programming, and technology.

Subtitle B--Judiciary Matters

(Sec. 100101) This section provides funding for the Administrative Office of the U.S. Courts for the purpose of analysis and reporting regarding the state of the dockets of the courts, including metrics regarding judicial orders for non-party relief (i.e., orders that apply to those not before the court) against the federal government.

(Sec. 100102) This section provides funding for the Federal Judicial Center for the purpose of carrying out continuing education and training for personnel of the judicial branch, including training on non-party relief against the federal government.

Subtitle C--Radiation Exposure Compensation Matters

This subtitle reestablishes and expands a program to compensate individuals who were exposed to radiation during certain nuclear testing or uranium mining and who subsequently developed medical conditions, particularly cancer. This program compensated individuals who were present in a designated geographic area during a period of nuclear testing and certain individuals employed in uranium mining.

(Sec. 100201) This section extends through 2028 the fund that supports this program.

(Sec. 100202) This section (1) increases the amount of compensation awarded to new eligible claimants, and (2) expands the designated areas to include Idaho and New Mexico and additional areas in Nevada and Utah.

(Sec. 100203) This section makes more individuals who worked in uranium mining eligible for the program.

(Sec. 100204) This section expands this program to compensate individuals located in specified areas of Missouri, Tennessee, Alaska, or Kentucky associated with waste from the Manhattan Project and who subsequently developed specified types of cancer.

(Sec. 100205) This section extends through 2027 the statute of limitations for filing claims (the program expired in 2024).