

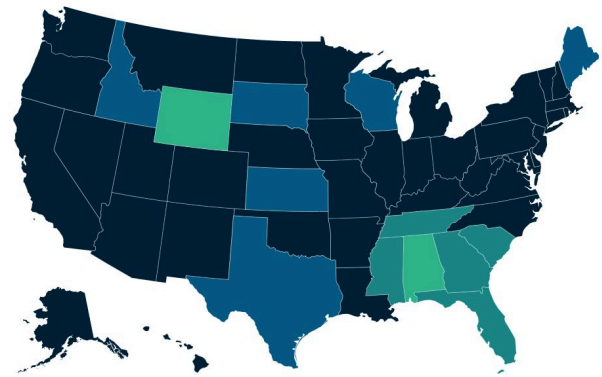
US House passes massive tax break and spending cut bill, sending it to Trump

July 3, 2025



Federal Medicaid Cuts in the Senate Reconciliation Bill, By State
As a % of 10-year baseline federal spending (2025-2034)

■ < 7% ■ 7%-10% ■ 10%-13% ■ ≥ 13%



Note: \$1 trillion in federal Medicaid spending cuts is allocated across states. See Methods in "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Senate Reconciliation Bill" for more details.
Source: KFF analysis of CBO estimates of the Senate Reconciliation Bill • [Get the data](#) • [Download PNG](#)

KFF

U.S. House Republicans cleared the “big, beautiful bill” for President Donald Trump’s signature Thursday, July 3, marking an end to the painstaking months-long negotiations that began just after voters gave the GOP unified control of Washington during last year’s elections.

The final 218-214 vote on the expansive tax and spending cuts package marked a significant victory for Speaker Mike Johnson, R-La., and Senate Majority Leader John Thune, R-S.D., who were able to unify centrist and far-right members of the party against long odds and narrow majorities.

But the legislation’s real-world impacts include millions of Americans expected to lose access to Medicaid through new requirements and slashed spending, and state governments taking on a share of costs for a key nutrition program for low-income families. If voters oppose Republicans at the ballot box in return, it could mean the GOP loses the House during next year’s midterm elections.

In the end just two Republicans in the House and three in the Senate opposed the measure, which the Senate approved earlier in the week with Vice President JD Vance casting the tie-breaking vote.

Trump posted on social media numerous times in the days leading up to the vote, thanking supportive Republicans who were praising the bill during interviews and threatening to back primary challenges against GOP lawmakers who stood in the way of passage.

“Largest Tax Cuts in History and a Booming Economy vs. Biggest Tax Increase in History, and a Failed Economy,” Trump posted just after midnight when it wasn’t yet clear the bill would pass. “What are the

Republicans waiting for??? What are you trying to prove??? MAGA IS NOT HAPPY, AND IT'S COSTING YOU VOTES!!!"

Johnson said during a floor speech the legislation is a direct result of the November elections, when voters gave the GOP control of the House, Senate and the White House.

"That election was decisive. It was a bellwether. It was a time for choosing," Johnson said. "And I tell you what — the American people chose, overwhelmingly, they chose the Republican Party."

The package, he said, would make the country "stronger, safer and more prosperous than ever before."

"We've had spirited debates, we've had months of deliberation and now we are finally ready to fulfill our promise to the American people," Johnson said.

Republicans were spurred to write the tax provisions in the legislation to avoid a cliff at the end of the year, created by the party's 2017 tax law. But the legislation holds dozens of other provisions as well, spanning border security, defense, energy production, health care and higher education aid.

The bill raises the country's debt limit by \$5 trillion, a staggering figure that many fiscal hawks would have once balked at, but is enough to get Republicans past the midterm elections before they'll have to negotiate another deal to raise the country's borrowing limit.

The nonpartisan Congressional Budget Office's latest analysis of the measure projects it would add \$3.4 trillion to deficits during the next decade compared to current law.

Jeffries: "It guts Medicaid"

House Minority Leader Hakeem Jeffries, D-N.Y., called the health care provisions "reckless" during a speech that lasted nearly nine hours, forcing the vote to take place in the afternoon rather than early morning, and said the "bill represents the largest cut to health care in American history."

"Almost \$1 trillion in cuts to Medicaid," Jeffries said. "This runs directly contrary to what President Trump indicated in January, which was that he was going to love and cherish Medicaid. Nothing about this bill loves and cherishes Medicaid. It guts Medicaid."

The speech broke the eight-hour-and-32-minute record that then-Minority Leader Kevin McCarthy, R-Calif., set in 2021 when he sought to delay Democrats from passing a \$1.9 trillion coronavirus relief package. House leaders are allowed to exceed normal speaking limits through a privilege called the "magic minute."

The nonpartisan health research organization KFF's analysis of the package shows it would reduce federal spending on Medicaid by nearly \$1 trillion during the next decade and lead to 11.8 million people becoming uninsured.

Republicans made numerous changes to the state-federal health program for lower income people and some people with disabilities, including a requirement that some enrollees work, participate in community service, or attend an educational program for at least 80 hours a month.

Medicaid patients will no longer be able to have their care covered at Planned Parenthood for routine appointments, like annual physicals and cancer screenings, for one year. Congress has barred federal taxpayer dollars from going to abortions with limited exceptions for decades, but the new provision will block all Medicaid funding from going to Planned Parenthood, likely leading some of its clinics to close.

Overnight drama

House passage followed several frenzied days on Capitol Hill as congressional leaders and Trump sought to sway holdouts to their side ahead of a self-imposed Fourth of July deadline.

The Senate, and then later the House, held overnight sessions followed by dramatic votes where several Republicans, who said publicly they didn't actually like the bill, voted to approve it anyway.

GOP leaders didn't have much room for error amid a narrow 53-seat Senate majority and a 220-212 advantage in the House. That delicate balance hovered in the background during the last several months, as talks over dozens of policy changes and spending cuts in the bill appeared deadlocked.

Any modifications meant to bring on board far-right members of the party had to be weighed against the policy goals of centrist lawmakers, who are most at risk of losing their seats during next year's elections.

The House passed its first version of the bill following a 215-214 vote in May, sending the legislation to the Senate, where Republicans in that chamber spent several weeks deciding which policies they could support and which they wanted to remove or rework.

The measure changed substantially to comply with the complex rules for moving a budget reconciliation bill through the upper chamber. GOP leaders chose to use that process, instead of moving the package through the regular legislative pathway, to avoid having to negotiate with Democrats to get past the Senate's 60-vote legislative filibuster.

In the end nearly every one of the 273 Republicans in Congress approved the behemoth 870-page bill.

GOP holdouts delay passage

Floor debate on the bill in the House, which began around 3:30 a.m. Eastern Thursday and lasted 11 hours, was along party lines, with Democrats voicing strong opposition to changes in the package and GOP lawmakers arguing it puts the country on a better path.

GOP leaders didn't originally plan to begin debate in the middle of the night while most of the country slept, but were forced to after holdouts refused to give their votes to a procedural step.

When the House did finally adopt the rule, Pennsylvania's Brian Fitzpatrick was the sole member of his party to vote against moving onto floor debate and a final passage vote.

Fitzpatrick had posted on social media earlier in the day that he wanted Trump "to address my serious concern regarding reports the United States is withholding critical defense material pledged to Ukraine."

“Ukrainian forces are not only safeguarding their homeland—they are holding the front line of freedom itself,” he wrote. “There can be no half-measures in the defense of liberty. We must, as we always have, stand for peace through strength.”

Tax breaks and so much more

House Ways and Means Chairman Jason Smith, R-Mo., made significant promises to middle-class Americans during floor debate about the tax provisions in the bill that many voters will be watching for in the months ahead.

“Households making under \$100,000 will see a 12% tax cut compared to what they pay today. The average family of four will see nearly 11,000 more in their pockets each year,” Smith said. “Real wages for workers will rise by as much as \$7,200 a year. A waitress working for tips will keep an extra \$1,300, a lineman working overtime after a storm will keep an extra \$1,400.”

Massachusetts Democratic Rep. Richard Neal, ranking member on the tax writing panel, said the legislation’s benefits skew largely toward the very wealthy.

“If you made a million dollars last year, you’re going to make a plus of \$96,000 in the next tax filing season,” Neal said. “If you made under \$50,000 last year, you’re going to get 68 cents a day in terms of your tax relief.”

The extension of the 2017 tax law would predominantly benefit high-income earners. The top 1% would receive a tax cut three times the size of those with incomes in the bottom 60% of after-tax income, according to analysis from the left-leaning Center on Budget and Policy Priorities.

Some other tax incentives that critics say skew toward wealthier families include a \$1,000 deposit from the federal government for babies born between 2024 and 2028, known as a “Trump account.” The program would track a stock index and gain interest accordingly and families with disposable income could contribute additional funding.

And while Republicans included an extension of the child tax credit to \$2,200 per child, it requires the parents to have a Social Security number to claim the tax credit.

The bill will give the president more than \$170 billion to carry out his campaign promise of mass deportations of people in the country without permanent legal status. The package would give the Department of Homeland Security \$45 billion for the detention of immigrants and give its immigration enforcement arm another \$30 billion to hire up to 10,000 Immigration and Customs Enforcement agents.

Food aid, higher education

The legislation will overhaul federal loans for higher education and how states pay for food assistance that roughly 42 million low-income people rely on, known as the Supplemental Nutrition Assistance Program, or SNAP.

The bill would cap federal graduate loans to \$100,000 per borrower and \$200,000 per borrower who is attending law school or medical school. It would also cap the ParentPLUS loans to \$65,000.

Under the SNAP changes, the package would require states to shoulder more of the burden in food assistance. Currently, the federal government covers 100% of the cost. The legislation tightens eligibility for SNAP, requiring parents with children aged 6 and older to meet the work requirements when they were previously exempt.

The SNAP changes would reduce federal spending on the program by \$230 billion over 10 years.

The GOP megabill cuts clean energy tax credits and claws back some of the funding in former president Joe Biden's signature climate bill, known as the Inflation Reduction Act.

Some of those cuts to clean energy tax credits include terminating at the end of September a nearly \$8,000 rebate for the purchase of an electric vehicle, ending a tax credit by December for energy efficient home upgrades such as solar roof panels and heat pumps.

The package rescinds funds to help local governments and states adopt zero emission standards, and eliminates environmental justice block grants that communities used to address health impacts due to environmental pollution, among other things.

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