



THE REPUBLICANS' CONTINUED BETRAYAL OF THE MIDDLE CLASS

July 2, 2025

Like the House-passed reconciliation bill, the Senate bill is unnecessarily cruel. It takes health care and nutrition assistance from hardworking Americans while lavishing tax breaks on billionaires. The bill isn't just mean, it's also misleading. Republicans know their policies are widely opposed, so they've resorted to lying about what their bill does, who it hurts, and the effect on the deficit.

While it strips Americans of health coverage, makes it harder for families to afford food, raises utility bills, and eliminates jobs in the clean energy sector, the bill still balloons the deficit and increases the debt ceiling by \$5 trillion.

SENATE BILL – KEY POINTS:

The Congressional Budget Office (CBO) has not yet completed an estimate of recent changes to the Senate bill, but what we currently know paints a bleak picture:

- Provides more than \$5 trillion in tax giveaways predominantly for the wealthy and well connected — even though Republicans claim most of these tax cuts are “free.”
- Guts Medicaid, Medicare, and the Affordable Care Act by more than \$1 trillion.
 - 17 million Americans lose their health insurance.
 - Threatens the closure of more than 300 rural hospitals and more than 500 nursing homes.
- Throws millions of people off food assistance. CBO says 270,000 veterans, homeless, or former foster youth will lose benefits under the Senate bill.
- Raises Americans' utility bills and eliminates good-paying jobs by gutting and eliminating energy tax credits in the Inflation Reduction Act (IRA).
- [Increases the deficit by \\$3.4 trillion.](#)
- Increases debt service costs by \$800 billion.
- Raises the debt ceiling by \$5 trillion.
- Imposes [half a trillion dollars in Medicare cuts](#) through automatic Pay-As-You-Go sequester.
- The [Joint Committee on Taxation \(JCT\) confirms](#) the Senate bill [benefits the rich while hurting the poor, like both CBO and JCT previously estimated.](#)
- Including macroeconomic effects, [CBO finds the House-passed bill makes the deficit even worse](#) – it won't “pay for itself” as Republicans repeatedly and erroneously claim.
- The economic consequences are devastating. [Moody's downgraded the nation's creditworthiness](#) in May, citing in part current fiscal proposals.

DEFICIT EFFECTS BY SENATE COMMITTEE

These figures represent CBO's estimate of the original substitute text published on the Senate Budget Committee website on June 27, with an update for CBO's July 1 letter.

Deficit Effects in Billions over Ten Years (2025-2034)

On-Budget Amounts Only

Senate Committee	Senate Bill
<i>Agriculture, Nutrition, and Forestry</i>	-120
<i>Armed Services</i>	150
<i>Banking, Housing, and Urban Affairs</i>	-2
<i>Commerce, Science, and Transportation</i>	-44
<i>Energy and Natural Resources</i>	-27
<i>Environment and Public Works</i>	-3
<i>Finance</i>	3,453*
<i>Health, Education, Labor, and Pensions</i>	-307
<i>Homeland Security and Governmental Affairs</i>	129
<i>Judiciary</i>	9
<i>Interactions Among Titles</i>	3
<i>Adopted Amendments</i>	110
Total Changes, Senate Bill	3,351

*As directed by Senator Graham, CBO published an estimate for the Senate Finance Committee using an alternative baseline and internally inconsistent assumptions about expiring policies. That estimate reflects deficit *reduction* for the Finance Committee of \$309 billion, and a total of \$411 billion for all Committees.

MAJOR PROVISIONS

Agriculture, Nutrition, and Forestry: -\$120 billion

- Cuts the Thrifty Food Plan which is used to calculate maximum Supplemental Nutrition Assistance Program (SNAP) benefits.
- Increases work verification paperwork requirements.
- Shifts costs to states based on each state's payment error rate.
- Provides \$66 billion for traditional farm bill programs.

Armed Services: +\$150 billion

- Increases spending for shipbuilding, munitions, deterrence, servicemember quality of life, and President Trump's misguided "Golden Dome," among other items.

Banking, Housing, and Urban Affairs: -\$2 billion

- Reduces Consumer Financial Protection Bureau funding, rescinds IRA funds for the Department of Housing and Urban Development's Green and Resilient Retrofit Program for multifamily homes, and closes the Securities and Exchange Commission Reserve Fund.

Commerce, Science, and Transportation: -\$44 billion

- Provides new investments for the Coast Guard, Air Traffic Control modernization, and space exploration, with an \$85 billion offset from Spectrum Auctions. Other offsets include a prohibition on Corporate Average Fuel Economy (CAFE) civil penalties and reductions of other amounts.

Energy and Natural Resources: -\$27 billion

- Increases oil and gas development, restores coal leasing activities, and rescinds unobligated IRA funding at the Department of Energy, Bureau of Land Management, and National Park Service.

Environment and Public Works: -\$3 billion

- Rescinds IRA funds for clean heavy-duty vehicles, the Greenhouse Gas Reduction Fund, diesel emissions reductions, addressing air pollution, and the Low- Emissions Electricity Program, among other programs.

Finance: +\$3,453 billion (-\$309 billion using the current policy baseline gimmick)

- Makes permanent the expiring parts of the 2017 Tax Cuts and Jobs Act and new business tax provisions. Creates a fiscal cliff by allowing new policies to expire in four years. Increases the SALT deduction to \$40,000, but only for five years.
- Rips health care away from 17 million people, about one million more than the House-passed bill.
- Guts the IRA energy tax credits, raising utility bills and eliminating jobs.
- Increases the debt ceiling by \$5 trillion, compared to the \$4 trillion in the House bill.
- Lies about the true cost of tax policy, using a “current policy baseline” gimmick. But Republicans only use the gimmick when it suits them and ignore it when it doesn’t. Applying the gimmick to the new tax policies that expire in a few years would explode the cost.

Health, Education, Labor, and Pensions: -\$307 billion

- Ends the Graduate PLUS loan program and caps other graduate borrowing. Caps the Parent PLUS loan program.
- Changes income-driven repayment plans by terminating existing income-contingent repayment and offering new repayment plans that will have higher costs and longer-term limits.
- Restricts Pell Grant eligibility, limiting full-ride students and excluding some higher-earning families.

Homeland Security and Governmental Affairs: +\$129 billion

- Funds over 2,000 miles of ineffective border wall.
- Expands detention capacity for single adult migrants and families and authorizes the use of family residential centers to detain individuals pending removal proceedings or while awaiting removal after final order.
- Provides additional funding to U.S. Customs and Border Protection for additional personnel, vehicles, and facilities.
- Conducts an audit of the Federal Employee Health Benefits program.

- Rewards Project 2025 architect Russ Vought, who has illegally impounded Congressionally appropriated funds, with a \$100 million slush fund for the Office of Management and Budget.

Judiciary: +\$9 billion

- Imposes new or increased immigration fees, including fees on asylum seekers and juveniles.
- Imposes a \$550 employment authorization document fee, deterring legal work and placing a financial hardship on asylum seekers, parolees, Temporary Protected Status recipients, and others.
- Provides additional funding for Immigration and Customs Enforcement.

This document has not been reviewed and approved by the Democratic Caucus of the Budget Committee and may not necessarily reflect the views of all members.



HOUSE COMMITTEE ON THE BUDGET

RANKING MEMBER BRENDAN F. BOYLE

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