

The “Big Beautiful Bill” (officially the One Big Beautiful Bill Act) is a sweeping tax and spending law signed into effect on July 4, 2025. Here’s a clear breakdown of its major provisions and impacts:

Tax Cuts and Deductions

- **Permanent Extension of 2017 Tax Cuts**
 - Individual tax rates and brackets from the 2017 Tax Cuts and Jobs Act are now permanent.
 - The standard deduction, which was nearly doubled in 2017, is also made permanent and increased further.
- **Temporary Deductions for Workers**
 - New deductions for tip income (up to \$25,000) and overtime pay (up to \$12,500) through 2028, with income limits.
 - Interest on loans for U.S.-made vehicles is deductible through 2028.
- **Child Tax Credit**
 - Increased from \$2,000 to \$2,200, but lower-income families may not receive the full benefit.
- **SALT Deduction Cap Raised**
 - The cap on state and local tax (SALT) deductions rises from \$10,000 to \$40,000 for five years, then reverts.
- **Retiree Tax Relief**
 - A \$6,000 bonus deduction for seniors earning up to \$75,000 (\$150,000 for couples), available through 2028.
- **Business Tax Breaks**
 - Immediate expensing for equipment and research costs is restored for businesses.
 - 100% write-off for equipment and research investments.

Social Programs and Safety Net Changes

- Medicaid and Medicare Cuts
 - Significant reductions in Medicaid and Medicare spending, with new federal work requirements for able-bodied adults, including parents of children as young as 14.
 - Millions could lose health coverage; the Congressional Budget Office estimates up to 16–17 million more uninsured by 2034.
- SNAP (Food Stamps) Changes
 - States must contribute more to the Supplemental Nutrition Assistance Program (SNAP).
 - New work requirements for able-bodied adults without dependents.
 - Up to 4.7 million people could lose SNAP benefits over the next decade.
- Other Social Program Cuts
 - Federal safety net programs face deep reductions, including nutrition and healthcare assistance.

Border Security and Immigration

- Massive Funding Increases
 - \$350 billion for border security, including wall construction, detention, and deportation operations.
 - ICE funding will rise from \$10 billion to over \$100 billion by 2029, making it the most heavily funded law enforcement agency.
- Expanded Detention and Enforcement
 - 100,000 new immigration detention beds and 10,000 new ICE officers with signing bonuses.
 - New minimum fees for asylum seekers.

Defense and National Security

- Military Spending Boost
 - \$150 billion in new defense spending, including shipbuilding, munitions, and missile defense.
 - \$25 billion for the “Golden Dome” missile defense system.

Energy and Environment

- Rollback of Clean Energy Incentives
 - Phases out clean energy tax credits from the Inflation Reduction Act.
 - Eliminates incentives for electric vehicles, home energy upgrades, and shuts down the Greenhouse Gas Reduction Fund.
- Promotion of Fossil Fuels
 - New policies favor fossil fuel production over renewables.

Other Notable Provisions

- Debt Ceiling Increase
 - Raises the federal debt ceiling by \$4–5 trillion.
- Trump Accounts
 - Allows parents to create tax-deferred accounts for their children, expiring in 2028.
- Estate Tax
 - Exemption increased to \$15 million for individuals, \$30 million for couples.
- Remittance Tax
 - Imposes a 1% tax on money sent abroad (remittances).
- Unemployment Benefits
 - Bars millionaires from collecting unemployment.

Who Gains and Who Loses?

Group	Impact
High-income households	Significant tax savings, higher estate tax exemption
Corporations	Major business tax breaks, immediate expensing
Middle-income families	Modest gains, especially if eligible for new deductions
Low-income Americans	Losses due to cuts in Medicaid, SNAP, and other safety nets
Clean energy sector	Loses incentives and funding
Border security sector	Major funding increases

The Big Beautiful Bill delivers permanent tax cuts, new business and worker deductions, and major boosts to defense and border security, while enacting deep cuts to social programs and rolling back clean energy incentives. Its effects will be felt differently across income groups, industries, and regions, with high earners and corporations seeing the largest gains, and low-income Americans and clean energy sectors facing the biggest losses.