



## CBO CONFIRMS THE REPUBLICANS' BIG UGLY LAW EXPLODES THE DEFICIT

July 24, 2025

The reconciliation bill takes health care and nutrition assistance from hardworking Americans while lavishing tax breaks on billionaires. The enacted bill isn't just mean-spirited, it's also misleading. Republicans know their policies are widely opposed, so they've resorted to lying about what the measure 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 by more than \$4 trillion and increases the debt ceiling by \$5 trillion.

### ENACTED BILL – KEY POINTS

The Congressional Budget Office (CBO) recently completed a full estimate of the enacted bill, including last-minute changes made by the Senate. The new law:

- [Increases the deficit by \\$3.4 trillion](#), which rises to more than \$4 trillion when debt service is included.
- 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.
  - [More than 15 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 bill.
- Raises Americans' utility bills and eliminates good-paying jobs by gutting and eliminating energy tax credits in the Inflation Reduction Act (IRA).
- Raises the debt ceiling by \$5 trillion.
- Imposes [half a trillion dollars in Medicare cuts](#) through automatic Pay-As-You-Go sequester.
- Benefits the rich while hurting the poor, which the [Joint Committee on Taxation \(JCT\) confirmed](#) and [CBO](#) previously estimated.
- Won't “pay for itself” as Republicans repeatedly and erroneously claim. Including macroeconomic effects, the fiscal picture will grow even bleaker.
- Will have devastating economic consequences. [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 bill signed into law on July 4.

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

*On-Budget Amounts Only*

Senate Committee	Enacted Bill
<i>Agriculture, Nutrition, and Forestry</i>	-121
<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>	-21
<i>Environment and Public Works</i>	-3
<i>Finance</i>	3,568*
<i>Health, Education, Labor, and Pensions</i>	-284
<i>Homeland Security and Governmental Affairs</i>	129
<i>Judiciary</i>	9
<i>Interactions Among Titles</i>	3
<b>Total Changes, Senate Bill</b>	<b>3,383</b>

\*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 \$194 billion, and a total of \$380 billion for all Committees.

## MAJOR PROVISIONS

### Agriculture, Nutrition, and Forestry: -\$121 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 funding 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: -\$21 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: +\$3,568 billion (-\$194 billion using the current policy baseline gimmick)**

- Makes permanent the expiring parts of the 2017 Tax Cuts and Jobs Act as well as new business tax provisions. Creates a fiscal cliff by allowing many new policies to expire in four years. Increases the SALT deduction to \$40,000, but only for five years.
- Rips health care away from more than 15 million people.
- Guts the IRA energy tax credits, raising utility bills and eliminating jobs.
- Increases the debt ceiling by \$5 trillion.
- Lies about the true cost of tax policy, using a "current policy baseline" gimmick to make it seem like the tax cuts are free, when in reality they will explode the deficit.

## **Health, Education, Labor, and Pensions: -\$284 billion**

- Ends the Graduate PLUS loan program and caps other graduate borrowing. Caps the Parent PLUS loan program.
- Changes income-driven repayment plans by 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 authorized 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.*



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RANKING MEMBER BRENDAN F. BOYLE

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