



## TRUMP'S BIG UGLY LAW STEALS FROM THE POOR TO GIVE TO THE ULTRA-RICH

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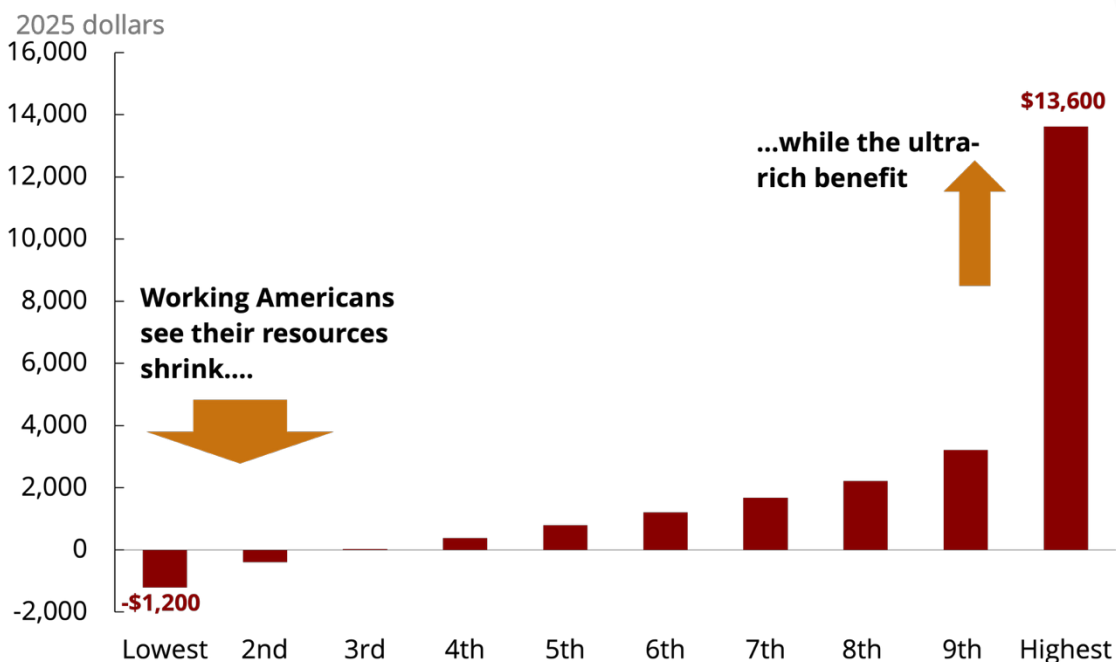
President Trump's Big Ugly Law kicks more than [15 million people](#) off their health insurance, makes the largest cuts to nutrition assistance in history, and makes higher education less affordable. Why? To pay for tax cuts that overwhelmingly benefit the ultra-rich.

Non-partisan [analysis](#) from the Congressional Budget Office (CBO) and Joint Committee on Taxation (JCT) shows that the bill worsens inequality, gives the ultra-rich a historic tax break, and makes working people worse off. Adding insult to injury, when including the cost of debt service, CBO finds that this bill adds [over \\$4 trillion](#) to the national debt.

### The Big Ugly Law leaves working families worse off

CBO analyzed the combined effects of the tax policies and spending reductions and found that working families will experience a net loss in household resources, while the ultra-rich will get richer. Specifically:

#### Average Annual Change in Household Resources, 2026-2034



Source: Congressional Budget Office; Staff of the Joint Committee on Taxation, August 11, 2025

- Families already struggling to make ends meet lose the most. Households in the lowest income decile, making \$24,000 a year or less, **lose about \$1,200 every year**, mostly due to deep cuts to Medicaid and food assistance. That amounts to over 3 percent of their total income, a devastating hit for people who can afford it the least.
- Everyone in the bottom twenty percent of the income distribution, or those making less than \$43,000 a year, will see a net decline in household resources.
- Middle-class families get next to nothing. For those in the 5th and 6th decile, or the middle of the distribution, they will experience a resource gain of only 0.8 to 1 percent. That is **barely enough** to keep up with rising costs due to President Trump's reckless actions.
- The ultra-rich get a windfall. Families making over \$700,000 a year **will see a \$13,600 boost**, almost entirely from tax cuts. That figure does not even count the massive estate tax giveaways for the ultra-rich.

### The Big Ugly Law gives the ultra-rich a massive tax cut

JCT separately estimated the distributional effects of only the tax provisions in the bill. They found that working-class people get no tax cut, and in some cases a tax increase, while the ultra-rich get tens of thousands in tax cuts a year. Specifically:

- An average household making less than \$15,000 a year will see **a tax increase of over 9 percent** in 2027. By 2033, when many temporary provisions in the tax portion of the law expire, this group will experience a **56 percent tax increase**.
- While people earning \$40,000 a year will see an average tax decrease of only \$393, worth a few weeks of groceries, people making over \$1 million a year will see their **taxes go down by \$97,000** in 2027.

### The Big Ugly Law sets a new precedent for wealth transfers to the ultra-rich

In 2017, Trump and Republicans passed the so-called Tax Cuts and Jobs Act (TCJA), a historically bad bill which increased the deficit by \$1.9 trillion. That bill gave massive handouts to the ultra-rich, but the Big Ugly Law makes the 2017 tax breaks for the richest few look small by comparison, while exploding the deficit by more than twice as much.

- The TCJA gave people making over \$500,000 a year an average tax cut of \$35,000 the first year after enactment. By comparison, **the Big Ugly Law will give people making over \$500,000 a tax cut of \$47,000** in the first year alone.
- The TCJA transferred a total of \$36.9 billion dollars to people making over \$1 million a year in just the first year after the bill was enacted. The new bill will more than double that number, giving **people making over \$1 million a year \$114 billion in tax cuts** for 2027 alone.

- While the TCJA worsened inequality, it gave very modest tax cuts (around \$20 dollars a year) to the lowest income earners. The Big Ugly Law will ask the lowest earners to pay higher taxes every year.
- Because this bill is coupled with draconian spending cuts that intentionally target working Americans, on net, the bill is even crueler and more unequal than TCJA.



**Local Impacts:** See the impacts of the Big Ugly Law using the House Budget Committee's microsite, which contains information about health care and food assistance specific to your community:

[democrats-budget.house.gov/legislation/biguglylaw](https://democrats-budget.house.gov/legislation/biguglylaw)

*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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