

# THE REPUBLICAN RIP OFF

## THE REPUBLICAN BUDGET BETRAYS THE MIDDLE CLASS

Replacing the will of the people with the whims of billionaires, the House Republican budget provides \$4.5 trillion in tax cuts for the rich but does nothing to lower costs for American families. It increases the deficit while inflicting pain on the most vulnerable, even as it raises the debt limit by \$4 trillion. It demands spending cuts from all parts of the budget, promoting policies that will increase costs, boost unemployment, and hobble economic growth – but it banks on a sky-high economic forecast to make this rip off stick.

### Believe in Magic?

The House Republican budget relies on the economic fairy dust of wildly unrealistic economic growth and a \$2.6 trillion magic pot of savings. Ignoring the \$2.6 trillion invented from a “macroeconomic impact on the deficit,” the budget makes the deficit worse by \$1.6 trillion over ten years. It claims GDP growth will average 2.6 percent over the next ten years, which is nearly a full percentage point higher than estimates by the Congressional Budget Office (CBO) and all other major reputable forecasts.

### Everyday Costs for Working Families Rise

This budget slashes at least \$230 billion from food assistance programs at a time when grocery prices remain high. It cuts at least \$880 billion from Medicaid and the Affordable Care Act (ACA), threatening coverage for nearly 20 million Americans who rely on the ACA and more than 72 million people who depend on Medicaid—including children, seniors, and individuals with disabilities.

### Tax Cuts for the Rich

This budget rips health care away from millions while handing out \$4.5 trillion in tax breaks to billionaires and big corporations. Nearly half the net benefit of extending the 2017 Trump tax cuts would go to the top 5 percent of households, or those making more than \$450,000 a year. CBO estimates that permanently extending the 2017 tax law will cost \$4.6 trillion (including net interest costs) over the decade. Additional tax policies President Trump has called for, including no tax on tips, no tax on overtime, no tax on Social Security, and lifting the cap on state and local deductions could cost, at minimum, an additional \$1.1 trillion. This means if Republicans do not cut other spending or raise taxes elsewhere, they will be unable to meet all of Trump’s campaign promises.

### Summary of Proposals in the House Republican Budget

(2025-2034, deficit effects in trillions of dollars)

<b>CBO January baseline deficits</b>	<b>-21.1</b>
Proposals in the Republican budget:	
Tax cuts for the wealthy	-4.5
Discretionary spending cuts	1.8
Mandatory spending cuts	1.2
Net interest	-0.1
<i>Subtotal, proposals</i>	<i>-1.6</i>
Magic “macroeconomic effects”	2.6
Claimed total, proposals	1.0
<b>Claimed Republican budget deficits</b>	<b>-20.1</b>

Table may not add due to rounding. Positive numbers improve the deficit.

## Reconciliation Instructions to 11 Committees

Committee	Reduce the deficit by at least	Committee	Increase the deficit by no more than
<i>Energy &amp; Commerce</i>	\$880B	<i>Ways &amp; Means</i>	\$4,500B
<i>Education &amp; Workforce</i>	\$330B	<i>Armed Services</i>	\$100B
<i>Agriculture</i>	\$230B	<i>Judiciary</i>	\$110B
<i>Oversight &amp; Government Reform</i>	\$50B	<i>Homeland Security</i>	\$90B
<i>Transportation &amp; Infrastructure</i>	\$10B		
<i>Financial Services</i>	\$1B		
<i>Natural Resources</i>	\$1B		

What do reconciliation instructions do? They weaponize the Republican budget to fast track spending cuts through the Senate, attacking the middle class and vulnerable populations. Once the House Committees complete their cut proposals, there will be nothing to stop Senate Republicans from sending the package of cuts to President Trump with a simple majority.

## At-Risk Programs Where Republicans are Targeting Cuts

The Chairman distributed a [detailed list](#) of programs and communities under direct attack. But authorizing committees have tremendous flexibility when meeting these instructions, meaning every program under their jurisdiction is potentially in danger.

- For **Energy and Commerce**, at least \$880 billion in cuts could include Medicaid and ACA assistance, weaker Inflation Reduction Act (IRA) drug policies which increase seniors' drug costs, and gutting of IRA programs that lower home energy costs. But Energy and Commerce's jurisdiction also includes Medicare and other health care, research, environmental protection, energy, and telecommunications programs which are put at risk in this budget.
- For **Education and Workforce**, at least \$330 billion in cuts could include student loans, income-driven repayment programs, Pell grants, and school lunch. The Committee's jurisdiction also includes special education, Head Start, the Low Income Home Energy Assistance Program (LIHEAP), Community Service Block Grants, and most workplace safety measures.
- For **Agriculture**, at least \$230 billion in cuts will likely target the Supplemental Nutrition Assistance Program (SNAP). Farm support, rural development, energy, and conservation programs fall under the Agriculture Committee's purview. But assuming no cuts to SNAP, only \$341 billion is left for all other programs under the committee's jurisdiction. To meet its \$230 billion instruction, the committee must either cut SNAP or nearly everything else.
- For **Oversight and Government Reform**, at least \$50 billion in cuts could include government employee retirement benefits and changes to the federal workforce.
- For **Transportation and Infrastructure**, at least \$10 billion in cuts could include restricting the recent bipartisan infrastructure law, Essential Air Service, increasing the "tonnage tax" on cargo, and raids the Oil Spill Liability Trust Fund.

- For **Financial Services**, at least \$1 billion in cuts could include the Consumer Financial Protection Bureau (CFPB) and funding for financial regulators.
- For **Natural Resources**, at least \$1 billion in cuts could include expanded oil and gas leasing and gutting of climate and environmental programs in the IRA, but this committee also has jurisdiction over a wide variety of mining activities, federal lands, and water resources.
- For **Ways and Means**, in addition to \$4.5 trillion in tax cuts for the rich, the committee could include cuts to Temporary Assistance for Needy Families (TANF), the Social Services Block Grant (SSBG), and Supplemental Security Income (SSI). It could reduce Medicare payments to providers, remove ACA premium assistance, and repeal IRA tax credits that lower the cost of clean energy.

## “You Should Trust Us That There Will Be Deeper Spending Cuts”

The tables distributed with the Republican budget reflect cuts of \$1.2 trillion in direct spending (sometimes called “mandatory spending”) over ten years, which is consistent with the reconciliation instructions for all committees except Ways and Means. But the budget also insists that committees will outperform their required reductions. In an aspirational section of the resolution entitled “Policy on Mandatory Spending Reductions,” the budget proclaims that it intends to cut \$2 trillion through reconciliation, never mind what it says in the tables and instructions to committees.

After realizing that the \$2 trillion target would not materialize simply through the power of wishing, Republicans offered an amendment in Committee to try to give their bark some bite. But instead of adding an iron-clad guarantee that more cuts would be coming, they provided a meaningless adjustment authority for the Chairman. The provision allows for deeper spending cuts from other committees to pay for more tax cuts for the Ways and Means Committee. It allows the Ways and Means Committee to shoulder the deficit burden if other committees fall short of the \$2 trillion target – but that will be flatly ignored if the target isn’t met. The provision only provides flexibility for the Ways and Means Committee and does not give other committees permission to save less than their instruction.

## All Democratic Amendments Rejected

Budget Committee Democrats [offered 32 amendments](#) to blunt some of the worst aspects of Chairman Arrington’s budget. These amendments were designed to block Republicans from making working Americans pay for yet another round of tax cuts for the ultra-wealthy. The amendments addressed Medicaid, the ACA, drug prices, veterans, education, and energy costs. Democrats fought for child care, affordable insulin, school lunches, and Meals on Wheels. We sought to preserve the important work at the Department of Education, the United States Agency for International Development, the National Institutes of Health, and the CFPB. Democrats shielded taxpayer data, financial databases, and other sensitive information from violations of the Privacy Act. But Republicans refused all Democratic amendments.

## Looming Cuts to Appropriated Programs

Direct spending is not the only target in the House Republican Budget. Over ten years, appropriated (or “discretionary”) programs face a \$2.5 trillion cut in purchasing power (budget authority) and \$1.8 trillion in outlays. Republicans won’t say where these cuts are coming from, but they have long promised to protect defense and other security spending, making cuts to domestic spending – for things like education, research, veterans’ health care, transportation, and more – subject to even deeper reductions. For 2034 alone, discretionary programs in the House Republican budget would face a cut of \$340 billion in purchasing power. If that cut is taken only from non-defense programs, that represents a cut of nearly 30 percent.

## The BETRAYAL of the Middle Class

Instead of investing in working families, House Republicans crafted a plan that takes from working Americans to give to their billionaire donors. This budget envisions trillions of dollars in cuts, so billionaires can get an even bigger tax cut that they don’t need, that the hardworking people of this country cannot afford to give them. Republicans are busy rewarding oligarchs, but Democrats continue to fight rising costs for everyday folks.