



United States House Committee on

Ways & Means

CHAIRMAN JASON SMITH

CHAIRMAN'S TOPLINE

The Senate Amendment to the Ways & Means title of The One, Big, Beautiful Bill closely mirrors the House-passed text of H.R. 1. The legislation averts the largest tax increase in history by making permanent the successful 2017 Trump Tax Cuts and provides additional tax relief for workers, families, farmers, and small businesses, while incentivizing economic growth and investment in America. Further, the legislation eliminates the Inflation Reduction Act (IRA) tax handouts to wealthy environmentalists and eliminates taxpayer benefits for illegal immigrants. The One, Big, Beautiful Bill will *Make American Families & Workers Thrive Again, Make Rural America & Main Street Grow Again, and Make America Win Again.*

HIGHLIGHTS – THE ONE, BIG, BEAUTIFUL BILL

Make American Families & Workers Thrive Again:

- *Delivers on President Trump's promises for **No Tax on Tips, No Tax on Overtime, Additional Tax Relief for Seniors, and No Tax on Car Loan Interest.***
- ***\$7,200** higher annual real wages per worker.*
- ***7.2 million** full-time jobs created.*
- ***\$1,300** average tax cut per tipped worker from **No Tax on Tips.***
- ***\$1,400** average tax cut per hourly worker from **No Tax on Overtime.***
- *Permanently extends the 2017 Trump Tax Cuts, **protecting American Families from a \$1,700 tax hike.***
- *Permanently extends the **doubled standard deduction** and provides an additional **\$1,500 increase for families beginning in 2025.***
- *Permanently extends the **doubled Child Tax Credit** and provides an additional **\$400 for a family of 4 beginning in 2025.***
- *Provides relief for **8 million** filers from the **Alternative Minimum Tax.***
- *Supports savings for new and growing families through the creation of **Trump Investment Accounts.***
- *Enhances the **Adoption Tax Credit** to ease access for families opening their homes to the joys of adoption.*
- *Builds on Trump Tax Cuts' incentives for **paid leave and child care**, including in programs such as the **Child & Dependent Care Tax Credit (CDCTC)** and **Flexible Spending Arrangements (FSAs)** to help families with the rising cost of child care.*
- *Expands **Health Savings Account (HSA)** eligibility so more American families can have better control over their health care spending.*
- *Expands **529 savings accounts** to include K-12 materials and expenses for post-secondary credentialing and technical training.*
- ***Repeals Democrats' 1099-K rule** attacking the gig economy.*
- ***Raises the 1099-MISC threshold** to \$2,000, reducing the paperwork burden for small businesses and workers.*
- *Permanently extends tax relief for workers receiving employer **student loan repayment** assistance.*



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Make Rural America & Main Street Grow Again:

- *Permanently extends and further increases **Death Tax Relief** from the 2017 Trump Tax Cuts.*
- *Permanently extends the **20% Small Business Deduction** for family-owned farms and 30 million small businesses.*
- *Doubles the **small business expensing** limit to \$2.5 million, allowing small businesses, farmers, and ranchers to invest in their operations.*
- ***Lowers the cost of borrowing** for America's farmers in a high-interest rate environment and rewards farms kept in agriculture production.*
- *Makes permanent **100% immediate expensing**.*
- *Makes permanent immediate expensing for **research & development (R&D)** activities in the U.S.*
- *Makes permanent the more favorable **deduction for interest expenses**.*
- *Rewards new factories built in America with new **immediate expensing for production structures**.*
- *Renews successful **Opportunity Zone (OZ)** Program to deliver **\$100+ billion** of new investment with extra focus on rural areas.*
- *Delivers **4.9%** higher level of real GDP in the first 4 years – **1.2%** higher average annual growth.*

Make America Win Again:

- ***Repeals and phases out green corporate welfare subsidies** in the Democrats' IRA, retaining all of the cost savings from the House-passed bill.*
- *Increases the **University Endowment Tax** to hold the largest institutions accountable.*
- ***Increases fees on tax-exempt organizations** that pay their executives huge salaries, while **closing loopholes** allowing corporations to hide huge salaries in subsidiary companies.*
- ***Ends abuse by China** to circumvent duties by **eliminating de minimis** for low-value commercial shipments, consistent with White House Executive Order.*
- ***Fights fraud in Obamacare** with **key Premium Tax Credit reforms**, including eliminating eligibility for **illegal immigrants**, saving billions of taxpayer dollars.*
- ***Adds SSN protections** on refundable tax credits to eliminate tax benefits flowing to illegal immigrants.*
- ***Imposes fees on remittance payments** from illegal immigrants to outside the U.S.*
- ***Ends taxation of suppressors, short-barreled rifles, and short-barreled shotguns.***
- ***Shuts down the Covid-era Employee Retention Tax Credit**, riddled with fraud.*
- ***Eliminates IRS Direct Forced File Program** where IRS was as acting tax preparer, collector, and auditor for taxpayer returns.*
- ***Succeeded in ending Biden-era global tax surrender.***
 - *House passage of retaliatory tax measure forced foreign governments to stop discriminatory taxes against American companies, saving the U.S. **\$120 billion** in revenues.*



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SENATE VERSION CHANGES – THE ONE, BIG, BEAUTIFUL BILL

85% of Senate tax provisions of The One, Big, Beautiful Bill are similar to the House-passed text

- *Of the Senate's 103 total tax provisions, 85% are either identical to the House-passed bill or feature minor technical changes.*

Provisions Removed Under Byrd Rule

- *Removal of short-barreled firearms and suppressors from the National Firearms Act.*
 - *Retains language to reduce the making and transfer taxes to \$0.*
- *Removal of parental citizenship test for Trump Accounts, but retains all citizenship and SSN protections for a qualifying child.*
- *Religious and federal funding exceptions to the University Endowment Tax, as well as foreign students calculation.*
- *Earned Income Tax Credit reforms.*
- *Increased penalties for disclosures of taxpayer information.*
- *ESOP exception to private foundation business holding rule.*

Additional Changes to House-Passed Bill

- **No Tax on Tips:** *House structure but places a \$25,000 cap on amount of deduction and slows income phaseout.*
- **No Tax on Overtime:** *House structure but places a \$12,500 cap on amount of deduction and slows income phaseout.*
- **Tax Relief for Seniors:** *House structure but increases deduction amount to \$6,000 from \$4,000.*
- **No Tax on Car Loan Interest:** *House structure, but eliminates applicability to used cars.*
- **Child Tax Credit:** *Increases topline credit to \$2,200.*
- **Donations to Scholarship-Granting Organizations:** *Revised proposal to comply with Byrd rule; allows states to voluntarily opt in and offers a maximum \$1,700 non-refundable credit.*
- **State & Local Tax (SALT) Deduction:** *House-passed bill, but only for 5 years.*
- **International Tax Reforms:** *Generally increases FDII eligibility and the GILTI foreign tax credit limit, while slightly raising the rate. The cap on business interest expense is lowered by including capitalized interest and excluding income from controlled foreign corporations.*
- **Debt Ceiling:** *Increases debt ceiling by \$5 trillion.*
- **Endowment Tax:** *Similar to the House tiered structure, but lowers top rate to 8% and eliminates applicability of the tax for schools with less than 3,000 students.*
- **Remittance Tax:** *Lowers rate to 1% (revenue maximizing rate).*



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Key IRA Tax Credit Changes:

Provisions	House	Senate
Investment & Production Tax Credits	Wind and Solar projects must commence construction within 60 days after enactment and be placed in service by 2028	Wind and solar projects must be placed in service by 2027 OR commence construction within 12 months of the date of enactment to receive full credit.
Clean Fuel Production	Extends through 2031 with no foreign feedstocks	Extends through 2029 with no foreign feedstocks and ends plus up for sustainable aviation fuel
Hydrogen	Ends credit for projects that begin construction after 2025	Allows hydrogen credit to continue with new expiration after 2028
Carbon Oxide Sequestration	Keeps credit	Equalizes treatment of usage and geological storage
Nuclear	Ends credit after 2031	Limits nuclear fuel produced from FEOCs; expires end of 2032
Advanced Manufacturing	Ends credit for wind components sold after 2027 and for all other components after 2031 with strict FEOC limitations	Ends credit for wind components produced and sold after 2027; adds phaseout beginning in 2031 for critical mineral production; adjusts House FEOC restrictions
Transferability	Ends transferability for most credits	Retains transferability
Foreign Entities of Concern	Restricts credits for specified foreign/foreign-influenced entities and projects with material assistance from those entities	Softens ownership restrictions but generally restricts credits for specified foreign/foreign-influenced entities and implements them faster



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Other Provisions Removed from House-Passed Bill

- *Enforcement of Remedies Against Unfair Foreign Taxes.*
 - *Removed in response to new framework agreed to by the G7 to exempt U.S. companies from unfair Pillar 2 taxes, saving the U.S. government \$120 billion.*
- *Limitation on deductions for sports team owners.*
- *SALT workaround limitations.*
- *Eliminating duty drawback for tobacco products.*
- *Expanding the Rural Emergency Hospital designation*
- *Additional HSA red tape fixes and CHOICE arrangement improvements.*
- *Artificial intelligence funding to reduce Medicare improper payments.*
- *Increase in excise tax on private foundations' net investment income.*
- *Fringe benefits and publicly available research inclusion in non-profit UBIT.*
- *Expansion of small manufacturers' limitation.*
- *GILTI fix for U.S. Virgin Islands.*
- *Contingency fees.*

Provisions Added to House-Passed Bill

- **Charitable:** *Increases the above-the-line charitable deduction to \$1,000/\$2,000 from the House provision of \$150/\$300; also establishes a floor on charitable deduction for taxpayers who itemize of 0.5%.*
- **CHIPS and Science Act Tax Credit:** *Boosts the credit from 25% to 35% for projects that commence construction prior to the end of 2026.*
- **Start-Up Investment Incentives:** *Enhances tax benefits for the sale of qualified small business stock to help attract investment to new small businesses.*
- **Dyed Fuels:** *Allows refunds of federal fuel excise tax.*
- **Corporate Alternative Minimum Tax (CAMT) Intangible Drilling Costs (IDCs):** *Excludes IDCs from CAMT calculations.*
- **Child Care:** *Boosts CDCTC and FSAs.*
- **New Markets Tax Credit:** *Permanent extension.*
- **Farmland:** *Provides an election for farmers to pay taxes on farmland sales over 4 years if the buyer continues farming the land.*
- **Pre-deductible Telehealth:** *Employer flexibility to offer telehealth services for employees with high-deductible health plans (HDHPs) before the employee reaches their deductible.*