

House GOP Plan Envisions \$4.5 Trillion in Tax Cuts

Senate is moving ahead with its own narrower plan focusing on border security

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WASHINGTON—House Republicans released the first blueprint for their [“one big, beautiful bill”](#) that would cut taxes, reduce spending and provide money for border enforcement.

Lawmakers created the outline after weeks of tense internal meetings among their competing factions, and some members indicated they weren’t fully on board.

That plan released Wednesday—headed for a Budget Committee vote Thursday—calls for a minimum of \$1.5 trillion in spending cuts over a decade and a [maximum of \\$4.5 trillion in tax cuts](#) from the Ways and Means Committee. It would increase the federal debt limit by \$4 trillion, likely enough to get through about two years. The plan calls for \$300 billion in new spending, likely for immigration enforcement and the military.

The spending-cut minimum is below the \$2 trillion or \$2.5 trillion floor that the most conservative House Republicans wanted to hit. The tax-cut maximum is below the \$5.5 trillion that would allow for extending all of the tax cuts that expire at the end of this year and make room for priorities of President Trump such as tax-free tips, overtime pay and Social Security benefits.

The release of the plan came as Senate Republicans also claimed progress Wednesday in implementing [Trump’s top priorities](#). The House and Senate are still moving in different and incompatible directions, however, and they have to resolve that dispute before they can get anything significant to Trump’s desk.

The [House plan](#) says it ultimately is aiming for \$2 trillion in spending-cut reductions and that the goal would be to reduce the Ways and Means deficit-increasing allowance if spending cuts don’t hit that target.

The targets are going to test House Republicans’ ability to unify their fractious, narrow majority, now at 218-215. Rep. Ralph Norman (R., S.C.), a Budget Committee member, said Wednesday that progress had been made in setting the floor for spending, but he was undecided on whether he would support the plan. And Rep.

Eric Burlison (R., Mo.) said the plan was “pathetic” and that the spending cut floor needed to be higher.

Even if House Republicans adopt a budget, subsequent legislation that stays within those thresholds could prove challenging to write and pass.

“This is Trump’s agenda. Would you want to be the person that stands between the president and his agenda?” said Rep. Lisa McClain (R., Mich.), the House GOP conference chair.

Rep. Jason Smith (R., Mo.), the Ways and Means chairman, had previously said that a \$4.5 trillion maximum allowed for tax cuts wouldn’t be enough to accomplish all of Trump’s tax priorities. On Wednesday, he said, “It’s a good starting point.”

Most of that amount would be consumed by extending tax cuts that expire at the end of this year. If Congress doesn’t act, taxpayers’ standard deduction would shrink, rates would climb and the child tax credit would be cut in half. Republicans also want to loosen the cap on the [state and local tax deduction](#) and fulfill Trump’s campaign-trail promises. Rep. Lloyd Smucker (R., Pa.), said the administration has backed the \$4.5 trillion number.

Republicans have several options that could help hit that target. Ways and Means could cut spending in its jurisdiction, including programs for low-income households and Medicare changes that wouldn’t directly hit beneficiaries. The panel could also curb tax breaks, including clean-energy tax credits that the Democratically controlled Congress enacted in 2022.

On the spending side, the largest cuts would be at least \$880 billion from the Energy and Commerce Committee, which has jurisdiction over Medicaid, the health insurance program for low-income people. Republicans have talked about a variety of Medicaid changes, including work requirements for able-bodied beneficiaries and revisions to funding formulas for the federal-state program. Other possible spending-cut targets include student-loan programs and food assistance for low-income people.

Republicans are planning to assume that real economic growth—caused by their plans and Trump’s actions on deregulation and fossil-fuel production—can be higher than the 1.8% forecast by the Congressional Budget Office. That would throw off enough tax revenue so Republicans can claim that their plan wouldn’t add to budget deficits.

But such growth is difficult to achieve and sustain, economists say, especially because Trump’s immigration and tariff policies tend to slow growth.

Democrats highlighted the contrast between the potential cuts to Medicaid and food assistance and the tax cuts that would go to some of the wealthiest households.

“This is the same crew that, when Democrats are in charge, cried crocodile tears about deficits and debt, but then once they’re in office, they blow up the debt far more than any Democratic president or Democratic Congress has,” said Rep. Brendan Boyle (D., Pa.), the top Democrat on the Budget Committee.

Meanwhile, in the Senate, the Budget Committee advanced the first phase of its two-track plan, voting 11-10 on party lines to back a budget blueprint after rejecting Democratic amendments.

Instead of one big bill, Republican senators wrote a budget aimed at allowing a roughly \$350 billion package focused on border-security and national defense. They want to save the messier tax and spending debate until later in the year, though that approach runs the risk that Republicans might struggle to do that and need to seek Democratic votes to avoid a tax increase.

Tom Homan, Trump’s border czar, and budget chief Russell Vought met Tuesday with Senate Republicans and emphasized how they are running out of money for the immigration enforcement Trump wants, said Sen. Lindsey Graham (R., S.C.), the Budget Committee chairman.

“Why would they come over and tell us, begging for money, if they didn’t want to move?” Graham said. “I think they came over to create a sense of urgency, that we need the money and we need it now for border and the military.”

Graham and Republican senators say they understand the House’s approach—the theory being that the House can only corral its members once in a single pass-fail exercise—but they just don’t think it is doable now. The Senate budget doesn’t make room for tax-cut extensions nor does it require spending cuts as large as the House plan.

“This isn’t easy,” said Sen. Ron Johnson (R., Wis.). “I think we’re all finding one big beautiful bill is also one really big, complex and hard to even draft—much less pass—bill as well.”

Republicans are using the process known as budget reconciliation to advance Trump’s priorities. The approach lets them advance a bill in the Senate with a simple majority, avoiding the 60-vote filibuster threshold and the need for Democratic votes.