

House Republicans Close In on Budget Deal After Trump Meeting

GOP lawmakers 'are narrowing down the areas of differences' on taxes and spending, says House majority leader

By Siobhan Hughes, Richard Rubin and Olivia Beavers
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WASHINGTON—House Republicans wrapped up a more than four-hour meeting at the White House on Thursday saying that they had closed gaps in their own internal disagreements over extending expiring tax cuts and cutting spending, and indicated details of a deal could be announced as soon as Friday.

“We had a very productive meeting,” House Majority Leader Steve Scalise (R., La.) said after lawmakers streamed back into the Capitol. “We are narrowing down the areas of differences.”

House Republicans from different factions of the party assembled at the White House, each hoping to get President Trump’s support for their proposals and resolve disputes that have slowed the party’s progress on taxes, spending and immigration.

Those factions included members of the hard-line House Freedom Caucus, which is concerned about budget deficits and wants to cut costs in programs such as Medicaid. The blocs also included New Yorkers who want to increase the current \$10,000 cap on the deduction for state and local taxes, or SALT, a proposal bitterly opposed by fiscal hawks. Trump was in and out of the meeting, a lawmaker said.

“We spent a lot of time on a whiteboard, literally putting down different numbers so that we can all be on the same page,” Scalise said.

On Wednesday, House Republicans had been discussing a [five-year extension of expiring tax cuts](#), instead of the permanence many seek, as a way to limit the total cost of the bill. On Thursday, Scalise said, it was possible that some portions of the tax cut would be permanent while others wouldn’t be.

At the start of the meeting, Trump outlined his priorities, including making the tax cuts permanent, said Rep. Lisa McClain (R., Mich.), a member of House GOP leadership. She said the meeting “was pretty intense” as lawmakers laid out

competing visions of what the bill should look like. “The heat was on medium the whole time.”

McClain said leaders would have to run some of the proposed spending reductions past lawmakers, to “make sure that these are palatable cuts.”

The meeting went unexpectedly long, even leading Speaker Mike Johnson (R., La.) to miss his scheduled meeting with Israeli Prime Minister Benjamin Netanyahu. They plan to meet Friday morning instead.

House Republicans have been struggling to reach agreement on a budget blueprint for a bill that would extend expiring tax cuts, reduce social-safety-net spending, boost national defense and provide money for immigration enforcement. To advance the bill without needing Democrats, the House and Senate first must agree on that budget and then again on a subsequent bill.

GOP senators, who have grown frustrated with the slow progress in the House for one giant bill, have set plans to move forward with their own narrower budget bill next week, focused on funding border security and national defense. They would postpone fights over deep spending cuts and extending expiring tax cuts until later in the year, closer to the Dec. 31 deadline when taxes will rise without congressional action. That would require a second budget and a second bill.

Trump has said he doesn’t have a preference on one bill vs. two bills but wants Congress to move quickly.

At the White House briefing earlier in the day, press secretary Karoline Leavitt said Trump’s priorities included extending the 2017 tax law, [ending taxes on tips](#), overtime pay and seniors’ Social Security payments, and adjusting the SALT cap. She said he also wanted to change the tax treatment of carried interest, investment managers’ income that gets lower capital-gains tax rates.

On the state and local tax issue, Scalise said that lawmakers made progress. “We didn’t solve the SALT problem, but we got probably, you know, closer even on that issue.” More broadly, he said: “There are a number of issues that had been unresolved. We resolved a few of them. We got a whole lot closer to locking down some of the remaining items.”

Lawmakers also discussed the debt limit, which Scalise characterized as unresolved. Earlier this year the Treasury started employing [extraordinary measures](#) to buy Congress time to raise the nation’s borrowing limit, which allows the U.S. to borrow more money to meet its obligations. A debt-limit increase is likely needed by the summer, though the exact deadline is unclear.

Johnson said House Republicans are aiming to schedule a Budget Committee meeting to advance the budget resolution and move it out of the panel as soon as Tuesday. That would allow them to begin to unlock the special budget-reconciliation process to fund Trump's top agenda items. Under reconciliation, legislation requires only a simple majority to clear the Senate, rather than the 60 votes required of most legislation.

"I think we'll be able to make some announcements, probably by tomorrow, and we're excited about that," Johnson said.

Meridith McGraw contributed to this article.