

Senate Aims to Advance Trump Tax Agenda While Postponing Spending-Cut Fight

Fiscal framework set for possible vote this week puts off key decisions, inviting conflict with House

By Richard Rubin
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WASHINGTON—Senate Republicans, torn over how much to reduce spending while cutting taxes, have an emerging strategy: Advance the ball now and figure out the [hard parts](#) later.

The Senate could vote as soon as this week on a fiscal framework for President Trump's "[one big, beautiful bill](#)" that would extend expiring tax cuts, implement his campaign-trail tax-cut promises and boost funding for border security and national defense.

Republican senators are talking about including significant spending cuts—around \$2 trillion over a decade—in the eventual bill later this year. But they aren't planning to lock themselves in at anywhere near that level now.

"It builds in some flexibility where people feel like we're still moving forward," said Sen. John Hoeven (R., N.D.).

The Senate approach invites an immediate conflict with the House, which would need to back any Senate-passed fiscal framework, then vote again later on a final bill. Key House members say the Senate should take the House's approach, which binds at least \$1.5 trillion in spending cuts to tax cuts. They warn that they can't accept a framework that [ratchets up tax cuts](#) and waters down spending cuts.

"There's high levels of skepticism when people say we're just writing it for maximum flexibility," said House Budget Committee Chairman Jodey Arrington (R., Texas).

"The Senate's got to lock themselves in and tie themselves to the mast like we did in the House."

GOP senators aim to chalk up a win before Congress takes a two-week break in mid-April and give themselves wiggle room down the road. That choice defers pressure as Republicans try turning their unified but narrow control of the House, Senate and White House into unified tax-and-spending legislation.

The GOP is also awaiting a key ruling by the Senate parliamentarian on whether lawmakers can count extensions of expiring tax cuts as cost-free. That move could make it easier, procedurally, to make tax cuts permanent. Democrats decry that maneuver as “magic math,” and they criticize Republicans’ plans to extend tax cuts that aid higher-income Americans while paring back [health programs such as Medicaid](#).

The Senate Republicans’ strategy papers over [internal divisions](#) in a group where Josh Hawley (R., Mo.) and Jim Justice (R., W.Va.) warn about potential Medicaid cuts while Rick Scott (R., Fla.) and Ron Johnson (R., Wis.) seek far deeper spending reductions. Republicans are trying to advance their plans using a special procedure that bypasses the need for Democratic votes in the Senate—but requires them to stay nearly united.

For now, the Senate aims for relatively low minimum spending-cut levels for various committees. Those favoring spending cuts should come up with ideas and persuade other senators to vote for them during the construction of the actual bill, not now, said Budget Committee Chairman Lindsey Graham (R., S.C.).

“I don’t want to hear any more about spending cuts,” said Graham, who has been focused on adding border and defense money. “Those who want to cut spending, there will be a process where you can make your case before the authorizing committee.”

That, Graham said, will be “the chance of a lifetime” for senators to pitch spending-cut ideas.

“I’m not a nanny here,” he said. “You’ve got to go do your own stuff.”

In the House, committee leaders figured out how much they aimed to cut and embedded those minimums into their budget. There, a hard-right faction yoked tax-cut extensions and spending cuts together, and Republicans [adopted their budget](#) in February without a single vote to spare.

That House budget set a spending-cut floor of \$1.5 trillion and aimed for tax cuts up to \$4.5 trillion, including extensions of current policies. The House would shrink the tax cuts by as much as \$500 billion if spending cuts don’t exceed \$1.5 trillion. House Republicans assigned the bulk of the spending cuts to the committee handling Medicaid—itsself a figure-it-out-later strategy as moderates warned they might oppose the subsequent bill.

Republicans are torn over the balance among tax cuts, spending cuts and budget deficits, and that tension simply hasn't been resolved yet. Narrower issues also divide Republicans, such as clean-energy tax credits and the \$10,000 cap on state and local tax deductions.

The tax cuts don't expire until Dec. 31, but Republicans want to move faster. They will likely include an increase in the [debt limit](#), which makes the bill's deadline August or September. Republicans say that extending tax cuts soon would give businesses more certainty and let voters see any benefits well before next year's midterm elections.

The House and Senate can have mismatched spending-cut minimums and figure it out later. But they both have to agree to that. They must vote for identical budget resolutions—even with dual targets—to use the reconciliation process that sidesteps the Senate filibuster.

Put another way, senators can only set low spending-cut floors if the House lets them do it, and House members have some leverage if they object to the Senate's maximum-flexibility route.

In recent years, the Senate has routinely won such cross-Capitol fights, particularly because missing a Senate reconciliation target can jeopardize the one-party fast-track path. But the super-slim House margin may change that calculus.

“I don't believe in Washington, D.C., systems of accountability where they say, ‘We're coming in with a low target but we'll gladly pay you Tuesday at a higher number,’” Arrington said.