## **Trump Warns GOP Dissenters to Drop Objections on SALT, Medicaid**

President visits Capitol Hill to urge passage of tax agenda, saying holdouts risk being 'knocked out' of party

## By Olivia Beavers, Siobhan Hughes and Richard Rubin Wall Street Journal

WASHINGTON—President Trump turned the screws on holdout Republicans, warning they would pay a steep political price if they stood in the way of the multitrilliondollar <u>tax and spending agenda</u> that party leaders want to pass through the narrowly divided chamber quickly.

In a closed-door meeting Tuesday with the House GOP conference, the president urged fiscal conservatives to give up efforts to expand Medicaid cuts and a bloc of moderates to be measured in their demands for further blue-state tax relief, pushing them to unite around his "one big beautiful" budget bill, according to people familiar with his comments.

"Don't f— around with Medicaid," he said, according to attendees.

House Speaker Mike Johnson (R., La.) has said he wants to vote on the package as soon as Wednesday and no later than the Memorial Day weekend. Holdout lawmakers said sticking points remained and could force changes to the bill or delays in voting despite Trump's arm-twisting.

Late Tuesday, House GOP leaders and Republicans from high-tax states neared an agreement on a further boost to the <u>state and local tax deduction</u>.

The overall package funds a series of promises Trump made on the campaign trail. It would extend his 2017 tax cuts and make new ones like no taxes on tips, as well as boosting border spending and repealing climate-tax credits. He warned that taxes would rise for many American households if Congress fails to extend the provisions from his first term and that Republicans who opposed the bill could face primary challenges.

"What Republican would vote for that? Because they wouldn't be a Republican much longer. They would be knocked out so fast," Trump told reporters before the meeting, arguing that the party is united—except for "one or two grandstanders." He took aim at one of the House Republicans opposed to the bill, saying Rep. Thomas Massie (R., Ky.) should be "voted out of office."

After the meeting, Trump said there was "great unity" for the package. "Anybody who didn't support it as a Republican, I would consider to be a fool," he said.

Republicans can afford to lose only a handful of votes in the House, where they have a 220-213 majority. Democrats are united in opposition, saying the proposal cuts Medicaid to fund tax cuts for the wealthy. If the measure does pass the House, Republicans would be able to bypass the usual 60-vote threshold in the GOP-led Senate by using a fast-track process called budget reconciliation.

A senior White House official said Trump made clear that he is losing patience with all holdouts. The president backs work requirements for Medicaid and the exclusion of unauthorized immigrants, but doesn't want additional changes, the official said. Further increases to the cap on state and local tax, or SALT, deductions sought by Republicans in such states as New York could be tackled in a future bill, the official added.

After the Trump meeting, some Republicans weren't sold but indicated a resolution to the various hangups could be near.

"The president, I don't think, convinced enough people that the bill is adequate, the way it is," said Rep. Andy Harris (R., Md.), chair of the hard-line House Freedom Caucus, who has pushed for deeper cuts to Medicaid spending. "We're still a long ways away, but we can get there. Maybe not by tomorrow, but we can get there."

"We need a little more SALT on the table to get to 'yes," said Rep. Nick LaLota, a New York Republican. Later in the day, he said there had been progress. "We're now talking about numbers better than have been presented to us before," he said.

The bill would cut taxes by nearly \$4 trillion through 2034, compared with doing nothing, while generating about \$1.6 trillion in spending reductions and other deficit-reducing policies. Final official estimates weren't available, but the total deficit effect is roughly \$2.7 trillion.

House Majority Leader Steve Scalise (R., La.) said recent changes to the bill, including accelerating Medicaid work requirements, could push the total spending cuts and savings in the bill up to \$1.7 trillion. He rejected calls by some lawmakers to keep debating.

"We'd be voting next February if some people got their way," he said Tuesday at an Americans for Prosperity event on Capitol Hill. "It's time to close the deal and vote."

A group of fiscal conservatives wants even deeper and faster changes to Medicaid, which serves 70 million low-income and disabled people, to limit the growth of the <u>federal</u> <u>deficit</u>. But centrists and other Republicans warn that further cuts would hurt the party's chances of keeping the House majority in the midterm elections. On Sunday night, four conservative holdouts allowed the bill to proceed through the Budget Committee, but they said their concerns weren't fully resolved.

Some members are pressing the idea of cutting back on the share the federal government contributes to Medicaid, though Johnson has repeatedly taken that idea off the table. Spending hawks say it needs to be part of the mix, citing rising budget deficits

and saying that the matching rate is unfair to states that declined to expand Medicaid to cover more low-income people, as permitted by the 2010 Affordable Care Act.

On Monday, Johnson held a series of meetings with various factions. He met with the Republican Main Street Caucus, where people familiar with the meeting said he was in listening mode, making notes on a writing pad as his GOP members raised issues with Medicaid and energy tax issues, including about nuclear power.

Johnson then jetted to another meeting, largely composed of House Freedom Caucus members and centrists, according to people familiar with this meeting. Johnson also met with the New York Republicans who are insisting on an increase in the SALT cap.

At Tuesday's closed-door meeting, Trump pushed Republicans who were holding out for better terms on SALT to accept the latest offer from Johnson, according to people in the room. The initial GOP proposal called for raising the cap to \$30,000 from \$10,000. People familiar with the discussions said a deal was near to set the cap at \$40,000.

Massie, who has regularly defied party leaders in recent years, predicted that conservative and blue-state colleagues would ultimately cave on their demands and vote for the bill as a result of Trump's pressure.

"I mean, he's pretty persuasive," Massie said. "He's very likable. He tells good stories."