

Trump gets wish list in House GOP tax bill, with some exceptions

While he won some new tax breaks he called for, they were given an expiration date. And he failed to convince lawmakers to eliminate the so-called carried interest loophole for private equity managers and others.

**By Benjamin Guggenheim and Meredith Lee Hill
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President Donald Trump won more than he lost in the House GOP's newly unveiled tax legislation, though some of his priorities were slimmed down and his bid to raise taxes on some financial heavyweights wasn't included.

The bill — which the House tax-writing committee will take up Tuesday — not only delivers on his promise to make a slew of his expiring 2017 tax cuts permanent, but also includes tax relief for tips, seniors and overtime work. Trump also got his request to give taxpayers a deduction for the interest they pay on auto loans, and to limit deductions for the purchase of sports teams.

The bill leaves a placeholder to at least triple the state and local tax deduction, after Trump promised blue-state Republicans during the presidential campaign that he would “get SALT back,” a break prized by their constituents that is now capped at \$10,000. The exact contours are still up for discussion, though, Speaker Mike Johnson said.

In an homage to Trump's populist base, Republicans would create a new tax-preferred savings plan called a “MAGA account” for children under the age of 8.

The draft also delivers another key Trump demand — a \$4 trillion debt ceiling hike. The president raised the issue in private for months, saying he did not want to be forced into a massive spending deal with Democrats in order to avoid a debt default.

Trump took to his Truth Social platform and declared the bill “GREAT.”

“When I return from the Middle East, where great things will happen for America, we will work together on any and all outstanding issues, but there shouldn't be many,” he wrote.

But the bill would require Trump to make some compromises. The breaks for tips, seniors and overtime pay would only last four years and include income restrictions for qualifying. That's a nod to the fiscal constraints Republican tax writers are working

under, which require trillions of dollars in spending cuts to offset some of the cost of the tax cuts.

And the plan doesn't heed Trump's call to eliminate the "[carried interest loophole](#)" that taxes some income earned by private equity and hedge fund managers at a lower rate than normal income.

A tax increase on the highest-earning Americans, which administration officials had said was on the table, didn't make it in either. Trump himself sent conflicting signals about the idea, seeming to embrace a "tiny" increase, while simultaneously saying it would be a bad political move.

Of course, this isn't the end of the road for the bill. It's just the beginning. The massive bill's path through the GOP's slim majority in the House is by no means assured. Deficit hawks are still upset.

Rep. Chip Roy (R-Texas) took to X after the bill's release to complain that the GOP's plan "leaves more than \$20 trillion in additional debt in 10 years — and most of the [spending] cuts are beyond the Trump years."

Assuming the legislation gets through the House, some additional business breaks are likely to be added in the Senate. But the chamber could also pare things.

The House text is "a good start," said Sen. John Cornyn (R-Texas) on Monday. Asked what changes he wants, Cornyn quipped, "How much time do you have? I don't have that much time."

"I want to wait and see what the House actually passes because these at this point are just sort of ideas," Cornyn said.

Trump's top economic adviser, Kevin Hassett, appeared to acknowledge as much shortly after House Republicans released the bill Monday, calling it "a great first step."

Jordain Carney and Megan Messerly contributed to this report.