

Summary of the: One Big Beautiful Bill Act H.R. 1 119th Congress 2025-2026

This bill reduces taxes, reduces or increases spending for various federal programs, increases the statutory debt limit, and otherwise addresses agencies and programs throughout the federal government.

It is known as a reconciliation bill and includes legislation submitted by 11 House committees pursuant to provisions in the FY2025 congressional budget resolution ([H Con. Res. 14](#)) that directed the committees to submit legislation to the House Budget Committee that will increase or decrease the deficit and increase the statutory debt limit by specified amounts. (Reconciliation bills are considered by Congress using expedited legislative procedures that prevent a filibuster and restrict amendments in the Senate.)

TITLE I--COMMITTEE ON AGRICULTURE

This title addresses a wide range of Department of Agriculture (USDA) programs, including by changing the Supplemental Nutrition Assistance Program (SNAP) and extending programs authorized by the Agriculture Improvement Act of 2018 (commonly known as the 2018 farm bill).

Subtitle A--Nutrition

(Sec. 10001) This section prohibits USDA from increasing the cost of the Thrifty Food Plan (TFP) based on a reevaluation or update of the contents of the TFP (i.e., the market basket of goods). Further, any annual adjustment to the cost of the plan must be based on the Consumer Price Index for All Urban Consumers.

As background, USDA created the TFP (the cost of purchasing a nutritionally adequate low-cost diet), which is used to determine maximum monthly benefits under the Supplemental Nutrition Assistance Program (SNAP). USDA calculates the cost of the TFP each year to account for food price inflation. Maximum allotments are set at the monthly cost of the TFP for a four-person family, adjusted for family size. Under a provision of the 2018 farm bill, USDA must reevaluate the market basket of goods every five years based on current food prices, food composition data, consumption patterns, and dietary guidance.

(Sec. 10002) This section expands the applicability of work requirements for SNAP recipients who are able-bodied adults without dependents (ABAWDs). As background, these SNAP recipients have work-related requirements in addition to the general SNAP work registration and employment and training requirements.

Specifically, the section amends the exemptions to this requirement.

First, the section applies the work requirements for ABAWDs to adults who are not over 65 years old, whereas these requirements currently apply to adults who are not over 55 years old.

Second, the ABAWD exemption for a parent or household member with responsibility for a dependent child is restricted to a dependent child under the age of seven. Currently, the child must be under the age of 18.

This section includes an exception for a person who is (1) responsible for a dependent child who is seven years of age or older, and (2) married to and resides with an individual who complies with the SNAP work requirements.

In addition, the section specifies that current ABAWD exemptions set to sunset on October 1, 2030 will sunset. These exemptions from the ABAWD work requirements are for homeless individuals, veterans, and certain foster care individuals (those who are 24 years old or younger and were in foster care on the date of attaining 18 years of age or a higher age).

(Sec. 10003) This section modifies the ABAWD waiver program's allowable state exemptions. Under current law, an ABAWD waiver program allows state exemptions based on an area having an unemployment rate of over 10% or an insufficient number of jobs. The section amends the exemption to require the unemployment rate to be based on the rate for the county, instead of the area. Further, the section repeals the provision that allows a state exemption if that area does not have a sufficient number of jobs.

Under current law, a state agency may exempt up to 8% of SNAP recipients from the ABAWD work requirements for each fiscal year. This section reduces the percentage of exemptions a state agency may provide each year so that the average monthly number of exemptions does not exceed 1% of covered individuals (i.e., SNAP recipients and certain individuals who were denied SNAP benefits due to the work requirements).

(Sec. 10004) This section limits the availability of the Standard Utility Allowance (SUA) for determining SNAP income eligibility. Specifically, only households that include an elderly or disabled member may be considered automatically eligible for the SUA based on participation in the Low Income Home Energy Assistance Program (LIHEAP) or a similar energy assistance program.

As background, when determining a household's eligibility for SNAP, states consider the total shelter costs for a household, including the cost of utilities. States can use SUAs, which are standard amounts that represent low-income household utility costs in the state or local area. Currently, all LIHEAP participants who receive a minimum benefit are eligible for the SUA for determining SNAP income eligibility.

(Sec. 10005) This section prohibits household internet costs (e.g., monthly subscriber fees) from being used in computing the excess shelter expense deduction for the purposes of determining the size of household SNAP benefits.

(Sec. 10006) This section establishes state-matching fund requirements for the cost of SNAP program allotments. Currently, the state match is 0%. Beginning in FY2028, any state that has a payment error rate that is less than 6% must contribute a 5% match for the cost of SNAP program allotments.

A state with a payment error rate that is

- at least 6% but less than 8% must contribute 15%;
- at least 8% but less than 10% must contribute 20%; and
- 10% or greater must contribute 25%.

(Sec. 10007) This section reduces the amount that USDA may pay a state agency for administrative costs for the operation of SNAP to 25% of all administrative costs, from the current 50%, thereby increasing the state share of administrative costs from 50% to 75%.

(Sec. 10008) This section modifies the general work requirements of the SNAP program to cover individuals who are over the age of 17 and under the age of 65. Currently, the general work requirements apply to individuals who are over the age of 15 and under the age of 60. It also exempts parents or members of a household with responsibility for the care of a child who is under the age of seven (under the age of six under current law) from the requirements.

(Sec. 10009) This section requires state agencies (under the SNAP National Accuracy Clearinghouse) to use each indication of a multiple issuance of SNAP benefits to prevent multiple issuances of other federal and state assistance program benefits.

(Sec. 10010) This section reduces the tolerance level to \$0 for a state to exclude small SNAP payment errors in the calculation of payment error rates.

As background, the SNAP quality control system measures how accurately SNAP state agencies determine a household's eligibility and benefit amount and determines overpayments of benefits and underpayments. Under current law, the Food and Nutrition Service must set a tolerance level for excluding small payment errors in the calculation of payment error rates (e.g., \$56 or less in FY2024). This section requires that the calculation of payment error rates include all SNAP payment errors.

(Sec. 10011) This section eliminates the SNAP Nutrition Education and Obesity Prevention Grant Program (SNAP-ED).

(Sec. 10012) This section limits SNAP benefits to individuals who reside in the United States and are (1) U.S. citizens or U.S. nationals; (2) aliens lawfully admitted for permanent residence as an immigrant, with exceptions; (3) aliens who are Cuban citizens or Cuban nationals and meet certain requirements; or (4) individuals who are lawfully residing in the United States in accordance with the Compacts of Free Association between the United States and Micronesia, the Marshall Islands, and Palau.

Currently, SNAP eligibility extends to additional individuals who are classified as an alien under federal law, including an alien who has qualified for conditional entry under the asylum and refugee laws.

(Sec. 10013) This section extends funding for the Emergency Food Assistance Program (TEFAP) through FY2031. TEFAP provides food commodities (and cash support for storage and distribution costs) through states to local emergency feeding organizations (e.g., food banks).

Subtitle B--Investment in Rural America

(Sec. 10101) This section amends and extends commodity support programs.

For example, the section extends the Price Loss Coverage Program, the Agricultural Risk Coverage Program, and Dairy Margin Coverage through crop year 2031. It also modifies various requirements for the programs.

The section also extends the suspension of permanent price authority through crop year 2031 for commodities other than dairy and through December 31, 2031, for dairy.

Further, the section addresses programs and issues such as marketing loans, disaster assistance, the sugar program, federal crop insurance, the Livestock Indemnity Program, and the establishment of a Poultry Insurance Pilot Program.

For example, this section provides for a number of changes to Dairy Margin Coverage (DMC), which include

- changing the definition of production history to remove the consideration of production at the time the dairy operation first registered to participate in the DMC program;
- setting production history for the DMC program as the highest annual milk marketings for participating dairies during calendar year 2021, 2022, or 2023;
- raising the coverage limit to the first 6 million pounds for both Tier I and Tier II premiums, from the first 5 million pounds; and
- allowing producers to receive a 25% premium discount for a one-time premium election covering calendar years 2026-2031.

(Sec. 10102) This section reauthorizes, and extends funding for, the following programs through FY2031:

- the Grassroots Source Water Protection Program,
- the Voluntary Public Access and Habitat Incentive Program,
- the Feral Swine Eradication and Control Pilot Program,
- the Agriculture Conservation Easement Program (ACEP),
- the Environmental Quality Incentives Program (EQIP),
- the Conservation Stewardship Program (CSP),
- the Rural Conservation Partnership Program (RCPP), and
- the Watershed and Flood Prevention Operations Program.

This section also rescinds the unobligated funds that were provided for the ACEP, EQIP, CSP, and RCPP conservation programs as part of the Inflation Reduction Act of 2022.

(Sec. 10103) This section directs USDA to conduct a program to encourage the accessibility, development, maintenance, and expansion of commercial export markets for U.S. agricultural commodities. This section also provides \$285 million in mandatory funding for the program for FY2027 and each fiscal year thereafter.

(Sec. 10104) This section reauthorizes and provides funding for a number of USDA research initiatives.

For example, this section provides specified funds to the 1890 National Scholars Program for FY2026 for student scholarships. This National Institute of Food and Agriculture program provides grants to 1890 Institutions (i.e., historically Black colleges and universities that belong to the U.S. land-grant university system) for students who intend to pursue a career in the food and agricultural sciences.

This section provides the Specialty Crop Research Initiative with \$175 million in mandatory funding for FY2026. Currently, the program is funded at \$80 million for each fiscal year.

This section also provides funding for competitive grants to assist in the construction, alteration, acquisition, modernization, renovation, or remodeling of Agricultural Research Facilities.

(Sec. 10105) This section extends and modifies the Secure Rural Schools (SRS) program.

Under the existing SRS program, states and counties containing federal land may receive payments from the U.S. Forest Service or the Department of the Interior respectively. This section extends the authority of the Forest Service and Interior to (1) calculate and provide payments to states and counties under the SRS program through FY2026, and (2) initiate projects using funds provided by the program through FY2028. It also extends the deadline to obligate those funds until the end of FY2029.

This section rescinds specified unobligated funds that were provided by the Inflation Reduction Act of 2022 for (1) competitive grants to nonfederal forest landowners, and (2) state and private forestry conservation programs.

(Sec. 10106) This section reauthorizes, and extends funding for, the bioenergy program for advanced biofuels (i.e., Advanced Biofuel Payment Program) through FY2031. The program provides payments to fuel producers to support and expand production of advanced biofuels (i.e., not derived from corn starch).

(Sec. 10107) This section provides additional funding for the Plant Pest and Disease Management Disaster Prevention Program for FY2026 and each fiscal year thereafter.

This section provides additional funding for the Specialty Crop Block Grant Program for FY2026 and each fiscal year thereafter. Under the block grant program, USDA provides grants to the state departments of agriculture to enhance the competitiveness of specialty crops (i.e., fruits, vegetables, tree nuts, dried fruits, horticulture, and nursery crops, including floriculture).

The section also reauthorizes, and extends funding for, organic production and market data initiatives through FY2031.

This section reauthorizes, and extends funding through FY2026, for USDA to carry out the modernization and improvement of international trade technology systems and data collection on imports of organically produced agricultural products accepted into the United States.

The section also reauthorizes the Organic Certification Cost Share Program, which provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program.

This section reauthorizes, and extends funding through FY2026, for the multiple crop and pesticide use survey of farmers. The USDA Office of Pest Management Policy conducts this survey to collect data for risk assessment modeling and mitigation for an active ingredient.

(Sec. 10108) This section increases funding for the National Animal Health Laboratory Network. Specific increases in funding are also provided for the National Animal

Disease Preparedness and Response Program and the National Animal Vaccine and Veterinary Countermeasures Bank.

This section extends and increases funding for the Sheep Production & Marketing Grant Program through FY2026. This program seeks to strengthen and enhance the production and marketing of sheep and sheep products in the United States.

This section also extends the

- Pima Agriculture Cotton Trust Fund through December 31, 2031, which provides assistance to reduce the economic injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric;
- Agriculture Wool Apparel Manufacturers Trust Fund through December 31, 2031, which provides assistance to reduce the economic injury to domestic manufacturers resulting from tariffs on wool fabric that are higher than tariffs on certain apparel articles made of wool fabric;
- Wool Research and Promotion Program through FY2031, which provides grants to assist U.S. wool producers with improving the quality of wool and with developing and promoting the wool market; and
- Emergency Citrus Disease Research and Development Trust Fund through FY2031, which funds a program that aims to bring together scientists to find scientifically sound and financially sustainable solutions to Huanglongbing (i.e., citrus greening, a bacterial disease spread by an insect that feeds on citrus).

TITLE II--COMMITTEE ON ARMED SERVICES

(Sec. 20001) This section provides additional funding for FY2025 to the Department of Defense (DOD) for

- the Marine Corps Barracks 2030 initiative,
- the Defense Health Program,
- supplemental payments of Basic Allowance for Housing to military personnel, and
- tuition assistance and child care assistance for members of the Armed Forces.

The section also provides statutory authority to extend from 14 to 21 days eligibility for Temporary Lodging Expense (TLE) for certain servicemembers undergoing a permanent change of station.

Additionally, the section temporarily increases authorized investment amounts and provides additional authorization for the acquisition or construction of certain military housing through private contracts.

(Sec. 20002) This section provides additional funding for FY2025 for the shipbuilding industrial base and various naval shipbuilding activities.

(Sec. 20003) This section provides additional funding for FY2025 for the development of (1) space-based missile intercept capabilities, (2) military space-based sensors, and (3) the continued development of ground-based missile defense systems and related infrastructure.

(Sec. 20004) This section provides additional funding for FY2025 for various military weapon systems, including hypersonic, air-to-air, cruise, and anti-ship missiles.

(Sec. 20005) This section provides additional funding for FY2025 to expand the small, unmanned aerial system (UAS) industrial base, to advance the use of artificial intelligence in these and other systems, and to support the integration of commercial developments in military technology.

The section also provides additional funding to finance loans and loan guarantees by the DOD Office of Strategic Capital.

(Sec. 20006) This section provides additional funding for FY2025 to replace current business systems, deploy automation, and deploy artificial intelligence to accelerate audits of DOD financial statements.

(Sec. 20007) This section provides additional funding for FY2025 to (1) modernize the capabilities of fighter, transport, and other military aircraft; (2) prevent the retirement of certain fighter aircraft (e.g., F-22); and (3) produce next-generation manned and unmanned aircraft.

(Sec. 20008) This section provides additional funding for FY2025 for nuclear defense resources and nuclear forces development and production.

(Sec. 20009) This section provides additional funding for FY2025 for (1) various military exercises and infrastructure in the Indo-Pacific region, and (2) classified military space-superiority programs.

(Sec. 20010) This section provides additional funding for FY2025 to enhance and modernize (1) military depots and shipyards, and (2) Special Operations Command (SOCOM) equipment.

(Sec. 20011) This section provides additional funding for FY2025 to support border operations, including deployment of military personnel.

(Sec. 20012) This section provides additional funding for FY2025 for the DOD Office of Inspector General to monitor the activities for which funding is provided under this title.

(Sec. 20013) This section authorizes each military department to use funding under this title for military construction, land acquisition, and military family housing. Each military department must submit a detailed spending plan to Congress.

(Sec. 20014) This section requires DOD and the National Nuclear Security Administration to submit a spending plan and subsequent expenditure reports to Congress for funding provided under this title.

(Sec. 20015) This section prohibits any agreements that would require the payment of any funds provided under this title after September 30, 2034.

TITLE III--COMMITTEE ON EDUCATION AND WORKFORCE

This title makes various changes to higher education, particularly to the federal student loan system.

Subtitle A--Student Eligibility

This subtitle revises eligibility for federal student aid and the amount of aid students may receive.

(Sec. 30001) This section revises the citizenship categories that qualify a student for federal student aid. The section specifies eligibility for certain nationals of Cuba and individuals who lawfully reside in the United States in accordance with a Compact of Free Association (i.e., individuals from the Republic of the Marshall Islands, the Federated States of Micronesia, or the Republic of Palau).

(Sec. 30002) This section changes the way student eligibility for need-based federal aid is calculated by basing the calculation on the median cost of attendance by program of study from all institutions of higher education (IHEs) that offer such program of study rather than the cost of attendance of a student's specific program as determined by their IHE.

The section also restores an exemption for certain family farms and small businesses on the Free Application for Federal Student Aid (FAFSA) form. This exemption applies to the net worth of (1) a family farm on which the family resides, or (2) a small business with not more than 100 full-time or full-time equivalent employees that is owned and controlled by the family.

Subtitle B--Loan Limits

This subtitle makes various changes to federal student loans.

(Sec. 30011) This section terminates the ability of undergraduate students to receive subsidized loans and terminates the ability of graduate or professional students to receive Direct PLUS Loans beginning on July 1, 2026. It provides an exception (of up to three academic years) for a student who is already enrolled in a program of study and received a loan for the program.

The section also places certain restrictions on Parent PLUS Loans. In particular, parents may only borrow a Parent Plus Loan if the dependent student has already taken out their maximum annual unsubsidized loan amount.

The section also establishes new annual and aggregate loan limits for borrowers. For example, the section sets an overall aggregate lifetime borrowing limit of \$200,000 for any single borrower across federal loan types (except for Federal Direct PLUS Loans and Parent PLUS Loans).

The section allows IHEs to set lower loan limits.

Subtitle C--Loan Repayment

This subtitle revises loan repayment options for federal student loans.

(Sec. 30021) This section terminates all current student loan repayment plans for loans disbursed on or after July 1, 2026.

The Department of Education (ED) may only offer borrowers two options for repayment of federal student loans: a standard repayment plan (with the length of the repayment term determined by the total amount borrowed) and an income-based repayment plan (to be known as the Repayment Assistance Plan).

(Sec. 30022) This section eliminates economic hardship and unemployment deferments beginning on July 1, 2025. It also reduces the total period a borrower may be in forbearance.

A borrower who is serving in a medical or dental internship or residency program may be eligible for a forbearance in which no interest accrues for the first four 12-month intervals. However, interest does accrue for any subsequent 12-month interval.

(Sec. 30023) This section allows borrowers to rehabilitate a defaulted loan twice (currently, only once). However, beginning on July 1, 2025, the borrower must pay a minimum payment amount of \$10.

(Sec. 30024) This section allows payments under the new Repayment Assistance Plan to count as qualifying payments for purposes of the Public Service Loan Forgiveness (PSLF) program.

The section also specifies that a public service job, for purposes of the PSLF program, does not include time served in a medical or dental internship or residency program by an individual who, as of June 30, 2025, has not borrowed a Federal Direct PLUS Loan or a Federal Direct Unsubsidized Stafford Loan.

(Sec. 30025) This section provides FY2025 and FY2026 funding to ED for administrative costs.

Subtitle D--Pell Grants

This subtitle makes changes to Pell Grants.

(Sec. 30031) This section requires foreign income that is exempt from taxation or foreign income for which an individual receives a foreign tax credit to be included in the adjusted gross income calculation for purposes of calculating eligibility for Pell Grants.

Students with a student aid index that equals or exceeds twice the amount of the total maximum Pell Grant are ineligible for Pell Grants, regardless of their adjusted gross income.

The section also increases the number of credits needed to qualify for full-time enrollment in order to receive Pell Grants.

The section prohibits a student who is enrolled less than half time from receiving a Pell Grant.

The section's changes take effect beginning on July 1, 2026.

(Sec. 30032) This section requires ED to award Workforce Pell Grants to students enrolled in eligible workforce programs. Eligible programs are those that provide at least 150 clock hours (but less than 600 clock hours) of instruction during a minimum of 8 weeks (but less than 15 weeks).

The section's changes take effect beginning on July 1, 2026.

(Sec. 30033) This section increases funding for Pell Grants for FY2026-FY2028.

Subtitle E--Accountability

This subtitle creates a new risk-sharing framework for IHEs.

(Sec. 30041) This section requires IHEs participating in federal student loan programs to make annual risk-sharing payments based on the nonrepayment balance of student loan cohorts.

The section also outlines penalties for late or missing payments. For example, the section prohibits an IHE from offering Direct Loans to students if the IHE has not made a payment within 12 months of receiving a notification from ED. The section also

prohibits an IHE from offering Direct Loans or awarding Pell Grants if the IHE has not made a risk-sharing payment in 18 months. If an IHE fails to make a payment within two years, the IHE may not participate in federal student loan programs for a minimum of 10 years.

The section's changes take effect beginning with award year 2028-2029.

(Sec. 30042) This section establishes the Promoting Real Opportunities to Maximize Investments and Savings in Education (PROMISE) grant program. To receive a PROMISE grant, an IHE must meet maximum total price guarantee requirements (as outlined in the section). These grants may be used to carry out activities related to postsecondary affordability, access, and student success.

Subtitle F--Regulatory Relief

This subtitle repeals several rules and regulations related to higher education.

(Sec. 30051) This section repeals the 90/10 rule, which requires proprietary (i.e., for profit) IHEs participating in federal student aid programs to derive at least 10% of their tuition and fee revenue from nonfederal funds.

The section also removes references to gainful employment within the Higher Education Act of 1965.

The section repeals ED regulations pertaining to closed school discharges of qualifying federal student loans and borrower defense to repayment. These repealed regulations are replaced with those regulations that were in effect on July 1, 2020.

The section also prohibits ED from implementing any rule, regulation, policy, or executive action regarding these regulations unless explicitly authorized by an act of Congress.

Subtitle G--Limitation on Authority

This subtitle limits the authority of ED to propose or issue regulations and executive actions related to federal student aid programs.

(Sec. 30061) This section prohibits ED from issuing a proposed rule, final regulation, or executive action if ED determines that the rule, regulation, or action (1) is economically significant, and (2) would result in an increase in a subsidy cost. Economically significant refers to a regulation or executive action that is likely to (1) have an annual effect on the economy of \$100 million or more; or (2) adversely affect in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities.

TITLE IV--ENERGY AND COMMERCE

Subtitle A--Energy

(Sec. 41001) This section rescinds the unobligated funds that were provided by the Inflation Reduction Act for various energy programs, such as State-Based Home Energy Efficiency Contractor Training Grants, the Advanced Technology Vehicles Manufacturing Loan Program, and the Tribal Energy Loan Guarantee Program.

(Sec. 41002) This section establishes fees for certain natural gas exports and imports.

(Sec. 41003) This section provides funding to the Department of Energy (DOE) for administrative expenses for carrying out loan guarantees related to liquefied natural gas pipeline projects from Alaska.

(Sec. 41004) This section allows for expedited permitting for certain natural gas projects.

(Sec. 41005) This section establishes and provides funding for a De-risking Compensation Program that provides compensation for unrecoverable losses associated with energy projects that, for example, have had federal approval revoked.

(Sec. 41006) This section provides funding for the Strategic Petroleum Reserve (SPR). It also repeals a provision that requires DOE to draw down and sell a specified quantity of crude oil from the SPR during FY2026-FY2027.

Subtitle B--Environment

Part 1--Repeals and Rescissions

This part repeals certain programs established under the Inflation Reduction Act of 2022 and rescinds certain funds provided under the act.

(Sec. 42101) This section repeals a program under which the Environmental Protection Agency (EPA) provides (1) grants and rebates to replace certain medium-duty vehicles (e.g., school buses) and heavy-duty vehicles (e.g., garbage trucks) with zero-emission vehicles, and (2) awards to replace such vehicles in communities located in areas designated as nonattainment areas under the Clean Air Act (e.g., areas that do not meet national air quality standards).

(Sec. 42102) This section repeals a program under which the EPA provides incentives to reduce air pollution at certain ports. Under the program, the EPA awards rebates and grants to port authorities and other eligible entities to (1) purchase or install equipment and technology to reduce pollution at ports, (2) conduct any relevant planning or permitting in connection with those purchases, and (3) develop climate action plans. The program also provides additional funding for rebates and grants for carrying out such activities in ports located in areas designated as nonattainment areas under the Clean Air Act.

(Sec. 42103) This section repeals the Greenhouse Gas Reduction Fund, which provides financial and technical assistance to states and other eligible recipients to help enable low-income and disadvantaged communities carry out activities to reduce greenhouse gas emissions.

(Sec. 42104) This section repeals an EPA program that gives grants, rebates, and loans under the Energy Policy Act of 2005 to identify and reduce diesel emissions resulting from goods movement (e.g., distribution of raw materials and consumer products) facilities as well as vehicles servicing those facilities in low-income and disadvantaged communities.

(Sec. 42105) This section repeals funding for a variety of programs that provide incentives to monitor and reduce air pollution and greenhouse gases, including funding for grants and other activities to

- deploy, integrate, support, and maintain stations, technology, and other methods to monitor air toxins;
- expand the national ambient air quality monitoring network with new multi-pollutant monitoring stations;
- replace, repair, operate, and maintain existing monitors;
- deploy, integrate, and operate air quality sensors in low-income and disadvantaged communities;
- address emissions from wood heaters;
- monitor emissions of methane;
- conduct research and development related to the prevention and control of air pollution; and
- encourage states to adopt and implement greenhouse gas and zero-emission standards for mobile sources.

(Sec. 42106) This section rescinds specified funds for grants and other activities to monitor and reduce greenhouse gas emissions and other air pollutants at schools in low-income and disadvantaged communities. Further, it rescinds funding for technical assistance to schools in low-income and disadvantaged communities to (1) address environmental issues; (2) develop school environmental quality plans that include standards for school building, design, construction, and renovation; and (3) identify and mitigate ongoing air pollution hazards.

(Sec. 42107) This section rescinds funding for a low emissions electricity program that provides education, technical assistance, and outreach to reduce greenhouse gas emissions that result from domestic electricity generation and use.

(Sec. 42108) This section rescinds funding provided under the EPA's Renewable Fuel Standard Program for

- the development and establishment of tests and protocols regarding the environmental and public health effects of a fuel or fuel additive;
- the collection and analysis of data to update applicable regulations, guidance, and procedures for determining the amount of greenhouse gas emissions from a fuel over the fuel's life cycle (e.g., production, processing, transport);
- the review, analysis, and evaluation of the impacts of all transportation fuels on the public as well as on low-income and disadvantaged communities; and
- supporting investments in advanced biofuels.

(Sec. 42109) This section rescinds funding to implement the American Innovation and Manufacturing Act of 2020, which directs the EPA to address hydrofluorocarbons (HFC). HFCs are greenhouse gases that are used in applications such as air conditioning, refrigeration, fire suppression, and aerosols.

(Sec. 42110) This section rescinds funding to update the EPA's Integrated Compliance Information System and any associated systems, necessary information technology infrastructure, or public access software tools to ensure access to compliance data and related information. Further, it also rescinds funding for grants to states, Indian tribes, and air pollution control agencies to update their systems to ensure communication with EPA's system. Finally, it rescinds funding to the EPA for updating inspection software or acquiring such software or devices on which to run the software.

(Sec. 42111) This section rescinds funding for the EPA to support (1) enhanced standardization and transparency of corporate climate action commitments and plans to reduce greenhouse gas emissions; (2) enhanced transparency regarding progress toward meeting such commitments and implementing such plans; and (3) progress toward meeting such commitments and implementing such plans.

(Sec. 42112) This section repeals the EPA's program that supports the development, enhanced standardization and transparency, and reporting criteria for environmental product declarations for construction materials and products. The declarations must include measurements of the greenhouse gases associated with all the relevant stages of production, use, and disposal of the construction materials and products.

(Sec. 42113) This section repeals the methane emissions reduction program under which the EPA provides financial incentives to encourage the reporting of greenhouse gases, the monitoring of methane, and the reduction of methane emissions from petroleum and natural gas systems.

(Sec. 42114) This section repeals the EPA's program that awards grants to states, air pollution control agencies, municipalities, and Indian tribes for developing and implementing plans to reduce greenhouse gas air pollution.

(Sec. 42115) This section rescinds certain funding relating to the EPA providing efficient, accurate, and timely reviews, including

- developing efficient, accurate, and timely reviews for permitting and approval processes through the hiring and training of personnel;
- developing programmatic documents;
- procuring technical or scientific services for reviews;
- developing environmental data or information systems;
- engaging stakeholders;
- purchasing new equipment for environmental analysis; and
- developing geographic information systems and other analysis tools, techniques, and guidance to improve agency transparency, accountability, and public engagement.

(Sec. 42116) This section repeals a program under which the EPA identifies and labels construction materials and products that have substantially lower levels of greenhouse gas emissions associated with all the relevant stages of production, use, and disposal of the materials and products.

(Sec. 42117) This section repeals funding to the EPA for environmental and climate justice block grants that benefit disadvantaged communities.

Part 2--Repeal of EPA Rules Relating to Greenhouse Gas and Multi-Pollutant Emissions Standards

This part nullifies the final rule issued by the EPA titled *Revised 2023 and Later Model Year Light-Duty Vehicle Greenhouse Gas Emissions Standards* and published on December 30, 2021. The rule established more stringent greenhouse gas emission standards for light-duty vehicles (i.e., passenger cars and light trucks) for 2023 and later model years.

This part also nullifies the EPA's final rule titled *Multi-Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles* and published on April 18, 2024. The rule established and modified requirements for certain light-duty or medium-duty vehicles (e.g., cars, trucks, and sports utility vehicles that are under a certain weight), including requirements related to (1) emission standards, such as a greenhouse gas emission standard; (2) the durability of batteries for certain electric and hybrid vehicles; and (3) measuring fuel economy.

Part 3--Repeal of NHTSA Rules Relating to CAFE Standards

This part nullifies the final rule issued by the National Highway Traffic Safety Administration (NHTSA) titled *Corporate Average Fuel Economy Standards for Model Years 2024-2026 Passenger Cars and Light Trucks* and published on May 2, 2022. Under the rule, NHTSA increased Corporate Average Fuel Economy (CAFE) standards for passenger cars and light trucks for model years 2024-2026.

This part also nullifies NHTSA's final rule titled *Corporate Average Fuel Economy Standards for Passenger Cars and Light Trucks for Model Years 2027 and Beyond and Fuel Efficiency Standards for Heavy-Duty Pickup Trucks and Vans for Model Years 2030 and Beyond* and published on June 24, 2024. Under the rule, NHTSA finalized CAFE standards for passenger cars and light trucks that increase at a rate of 2% per year for passenger cars in model years 2027-2031, 0% per year for light trucks in model years 2027-2028, and 2% per year for light trucks in model years 2029-2031.

Subtitle C--Communications

Part 1--Spectrum Auctions

(Sec. 43101) This section renews the authority of the Federal Communications Commission (FCC) to auction licenses for the use of radio frequency spectrum and requires certain frequencies to be reallocated and auctioned on an exclusive, licensed basis for fixed and mobile broadband.

Specifically, this section reauthorizes the FCC's use of competitive bidding (i.e., auctions) to grant licenses for the use of specific frequencies through September 30, 2034. (The FCC's auction authority must be renewed by Congress periodically. It expired on March 9, 2023, and has not been renewed.)

Further, within two years of this title's enactment, the National Telecommunications and Information Administration (NTIA) must identify at least 600 megahertz of spectrum at frequencies between 1.3 and 10 gigahertz for reallocation to nonfederal use on an exclusive, licensed basis. (Certain frequencies used primarily by the Department of Defense and unlicensed devices, including Wi-Fi, are excluded from auction eligibility.)

To the extent that the identified spectrum is currently assigned to federal users, the NTIA must withdraw or modify such assignments.

The FCC must conduct one or more auctions of the identified spectrum for use on an exclusive, licensed basis for mobile broadband, fixed broadband, or a combination thereof. The FCC must complete auctioning at least 200 megahertz of the identified spectrum within three years of this title's enactment, and must complete auctioning any remaining spectrum within six years of enactment.

Part 2--Artificial Intelligence and Information Technology Modernization

(Sec. 43201) This section prohibits states and localities from limiting, restricting, or otherwise regulating artificial intelligence (AI) models, AI systems, or automated decision systems entered into interstate commerce for 10 years. This prohibition does not apply to any state law or regulation

- the primary purpose and effect of which is to remove legal impediments to, facilitate the deployment or operation of, or consolidate administrative procedures in a manner that facilitates the adoption of AI models, AI systems, or automated decision systems;
- that does not impose substantive design, performance, data-handling, documentation, civil liability, taxation, fee, or other requirements on AI models, AI systems, or automated decision systems, unless such requirements are imposed under federal law or are generally applicable to other models and systems that perform similar functions;
- that imposes only fees and bonds that are reasonable and cost-based and treat other models and systems that perform similar functions in the same manner as AI models, AI systems, and automated decision systems; or
- the violation of which carries a criminal penalty.

This section also provides specified funds to the Department of Commerce to modernize and secure federal information technology systems through the replacement of some existing systems and the deployment of commercial AI and automation technologies. Specifically, Commerce must use funds appropriated under this section to (1) replace or modernize legacy business systems with commercial AI and automated decision systems; (2) facilitate the adoption of AI models that increase efficiency and service delivery; and (3) improve the cybersecurity of federal information technology systems through modernized architecture, automated threat detection, and integrated AI solutions.

Under this section, AI is defined as a machine-based system that can, for a given set of human-defined objectives, make predictions, recommendations, or decisions influencing

real or virtual environments. An AI model is a software component of an information system that implements AI technology and uses computational, statistical, or machine-learning techniques to produce outputs from a defined set of inputs. An AI system is any data system, hardware, tool, or utility that operates in whole or in part using AI. An automated decision system is any computational process derived from machine learning, statistical modeling, data analytics, or AI that issues a simplified output (e.g., a score, classification, or recommendation) to materially influence or replace human decision making.

Subtitle D--Health

Part 1--Medicaid

Subpart A--Reducing Fraud and Improving Enrollment Processes

(Sec. 44103) This section requires the Centers for Medicare & Medicaid Services (CMS) to establish a centralized system for states to check whether enrollees are simultaneously enrolled in Medicaid or the Children's Health Insurance Program (CHIP) in multiple states.

Beginning no later than 2027, states must regularly obtain the addresses of Medicaid and CHIP enrollees from specified authorized sources. Beginning no later than FY2030, states must report on at least a monthly basis the Social Security numbers of enrollees to the CMS' newly established system. The CMS must notify states on at least a monthly basis of individuals who are enrolled in multiple states so that states may take appropriate action.

The section provides funds for FY2026 and FY2029 for the CMS to establish and maintain the new system, respectively.

(Sec. 44104) This section requires state Medicaid programs to check, beginning in 2028, the Social Security Administration's Death Master File on at least a quarterly basis to determine whether Medicaid enrollees are deceased.

(Sec. 44105) This section requires state Medicaid programs to check, beginning in 2028, as part of the provider enrollment and reenrollment process, whether providers were terminated from participating in the Medicare program, any other state Medicaid program, or CHIP using certain databases (e.g., the Data EXchange system). The section requires states to continue to check these databases on at least a monthly basis after providers are enrolled.

(Sec. 44106) This section provides statutory authority for the requirement that state Medicaid programs check, as part of the provider enrollment and reenrollment process, whether providers are deceased through the Social Security Administration's Death

Master File. Beginning in 2028, the section requires states to continue to check this database on at least a quarterly basis after providers are enrolled.

(Sec. 44108) This section requires state Medicaid programs to redetermine every six months, beginning on December 31, 2026, the eligibility of individuals who are enrolled in Medicaid as part of the Medicaid expansion population under the Patient Protection and Affordable Care Act. (The act allows states to extend Medicaid coverage to all adults under the age of 65 with incomes of up to 138% of the federal poverty level, including able-bodied adults without dependent children.)

(Sec. 44111) This section reduces by 10%, beginning in FY2028, the enhanced federal matching rate for the Medicaid expansion population in states that provide comprehensive health benefits or financial assistance for purchasing health benefits to individuals (other than children or pregnant women) who are not lawfully residing in the United States, regardless of the source of the benefits or financial assistance.

Subpart B--Preventing Wasteful Spending

(Sec. 44123) This section provides funds through FY2033 for the CMS to survey retail and non-retail pharmacies (e.g., mail-order pharmacies) to determine average prices of covered outpatient drugs under Medicaid. Pharmacies that fail to participate in the surveys are subject to civil penalties.

The section additionally provides funds for FY2026 for the Office of the Inspector General of the Department of Health and Human Services (OIG) to study the results of the survey and report accordingly to Congress.

(Sec. 44124) This section requires pass-through pricing models, and prohibits spread-pricing, for payment arrangements with pharmacy benefit managers (PBMs) under Medicaid.

(Sec. 44125) This section prohibits federal payment under Medicaid or CHIP for specified gender transition procedures. The section defines these procedures to mean those that are intended to change the body of an individual to no longer correspond to the individual's biological sex (male or female), including specified surgeries, implants, and medications (e.g., hormones).

The section excludes procedures that are provided to an individual under the age of 18 with the consent of a parent or legal guardian and that are intended to (1) rectify early puberty, genetic disorders, or chromosomal abnormalities; (2) reverse prior gender transition procedures; or (3) prevent imminent death or impairment of a major bodily function.

(Sec. 44126) This section prohibits federal Medicaid payment for 10 years to nonprofit health care providers that serve predominantly low-income, medically underserved

individuals (i.e., essential community providers) if the provider (1) primarily furnishes family planning services, reproductive health, and related care; (2) offers abortions in cases other than that of rape, incest, or life-threatening conditions for the woman; and (3) in FY2024, received federal and state Medicaid payments totaling more than \$1 million.

Subpart C--Stopping Abusive Financing Practices

(Sec. 44131) This section requires states that had not chosen to expand Medicaid pursuant to the Patient Protection and Affordable Care Act prior to March 11, 2021, to do so by January 1, 2026, in order to receive the corresponding enhanced federal matching rate.

(Sec. 44132) This section generally precludes states from instituting new or otherwise increasing Medicaid provider taxes. Specifically, the section precludes the revenue from any Medicaid provider tax that is newly imposed or increased by a state from qualifying for federal matching payments.

(Sec. 44133) This section provides funds through FY2033 for the CMS to revise regulations so as to limit state-directed payments for inpatient hospital services, outpatient hospital services, nursing facility services, or qualified practitioner services at an academic medical center under Medicaid managed care contracts to the payment rate for services under Medicare, rather than the average commercial rate. For states that cover the Medicaid expansion population, payment is limited to 100% of the Medicare rate; for other states, payment is limited to 110% of the Medicare rate.

Subpart D--Increasing Personal Accountability

(Sec. 44141) This section requires, beginning not later than December 31, 2026 (or earlier, at the option of the state), individuals who are eligible for Medicaid as part of the Medicaid expansion population to engage in community service, work, or other activities in order to qualify for Medicaid.

Specifically, the section requires these individuals to, on a monthly basis, (1) work at least 80 hours, (2) complete at least 80 hours of community service, (3) participate in a work program for at least 80 hours, (4) be enrolled at least half-time in an educational program, or (5) engage in any combination thereof for a total of at least 80 hours. Individuals may also qualify if they have a monthly income that is at least as much as the equivalent of minimum wage multiplied by 80 hours.

Individuals who are applying for Medicaid must demonstrate compliance with these requirements for one month or more (as determined by the state) consecutively and immediately prior to filing an application; individuals who are already enrolled in Medicaid must demonstrate compliance for one month or more (as determined by the

state), whether or not consecutive, during the period between the individual's last eligibility determination and the next scheduled eligibility determination.

States must verify an individual's compliance upon a determination or redetermination of eligibility but may also choose to verify compliance more frequently. States may not waive the new requirements. However, states may choose to provide an exception for individuals experiencing short-term hardships (e.g., hospitalization).

The section excludes certain individuals from these requirements, including those with serious medical conditions or dependent children.

The section provides funds for FY2026 for states and the CMS to implement these requirements.

(Sec. 44142) This section requires, beginning in FY2029, states to institute cost-sharing requirements for individuals who are eligible for Medicaid as part of the Medicaid expansion population and whose family income exceeds the federal poverty line. Cost sharing may not exceed \$35 for an item or service; total cost sharing for all individuals in a family may not exceed 5% of the family's income.

The requirements do not apply to services for which cost sharing is already prohibited (e.g., emergency services) or to primary care, mental health, or substance use disorder services. States may allow providers to condition the provision of services upon the payment of any required cost sharing.

Part 2--Affordable Care Act

(Sec. 44201) This section modifies enrollment, coverage, and other aspects of health insurance exchanges beginning in 2026, including prohibiting the mandate of special enrollment periods based on income, requiring verification of income and other eligibility requirements prior to certain enrollments, and prohibiting coverage of gender transition procedures as an essential health benefit.

(Sec. 44202) This section provides funds beginning in 2026 for payments to qualified health plans for purposes of reducing cost sharing for certain individuals with incomes between 100% and 400% of the federal poverty line. Plans that provide coverage for abortions in cases other than that of rape, incest, or life-threatening conditions for the mother are not eligible for these funds.

Part 3--Improving Americans' Access to Care

(Sec. 44301) This section modifies certain provisions under the Medicare Drug Price Negotiation Program with respect to orphan drugs.

The Medicare Drug Price Negotiation Program requires the CMS to negotiate the prices of certain prescription drugs under Medicare beginning in 2026. Among other

requirements, drugs must have had market approval for at least 7 years (for drug products) or 11 years (for biologics) to qualify for negotiation. The program does not apply to orphan drugs that are approved to treat only one rare disease or condition.

The bill modifies these provisions so as to exclude any period in which a drug was an orphan drug from market approval calculations. It also excludes orphan drugs that are approved to treat more than one rare disease or condition from the program. The changes take effect in 2028.

(Sec. 44302) This section requires states to establish a process through which qualifying out-of-state providers may temporarily treat children under Medicaid and CHIP without undergoing additional screening requirements.

Specifically, states must establish a process through which qualifying out-of-state providers may enroll for five years as participating providers to treat individuals under the age of 21 without undergoing additional screening requirements.

A qualifying out-of-state provider (1) must not have been excluded or terminated from participating in a federal health care program or state Medicaid program; and (2) must have been successfully enrolled in Medicare or a state Medicaid program based on a determination that the provider posed a limited risk of fraud, waste, or abuse.

The section's changes take effect four years after enactment.

(Sec. 44305) This section prohibits PBMs under the Medicare prescription drug benefit or Medicare Advantage from receiving any income for their services other than bona fide service fees. It also establishes reporting requirements for PBMs relating to the prices of prescription drugs.

Specifically, beginning in 2028, PBMs may not receive any income other than flat, bona fide service fees. PBMs must turn over any excess amounts they receive to prescription drug plan (PDP) sponsors; PDP sponsors must turn over these amounts to the CMS. In addition, PBMs must report to PDP sponsors and to the CMS an itemized list of prescription drugs that were dispensed during the previous year and related data about costs, claims, affiliated pharmacies, and other specified information. The section provides funds for FY2025 for the CMS and the OIG to implement these requirements.

TITLE V--COMMITTEE ON FINANCIAL SERVICES

(Sec. 50001) This section rescinds unobligated funds from the Green and Resilient Retrofit Program under the Department of Housing and Urban Development (HUD). The program provides funding for energy efficiency improvements in multifamily properties receiving HUD assistance.

(Sec. 50002) This section transfers the duties of the Public Company Accounting Oversight Board to the Securities and Exchange Commission. The board is a nonprofit corporation that regulates the audits of publicly traded companies.

(Sec. 50003) This section reduces funding for the Consumer Financial Protection Bureau (CFPB) and makes such funding subject to review by Congress.

(Sec. 50004) This section requires the CFPB to transfer excess funds in the Civil Penalty Fund to the general fund of the Treasury after paying direct victims of consumer financial law violations. Currently, the CFPB uses such funds for consumer education and financial literacy programs.

(Sec. 50005) This section limits the amounts collected by the Office of Financial Research for the Financial Research Fund.

TITLE VI--COMMITTEE ON HOMELAND SECURITY

(Sec. 60001) This section provides funding to U.S. Customs and Border Protection (CBP) for construction, installation, or improvement to barriers; access roads; detection technology; invasive plant species eradication; and expenses for facilities and checkpoints along U.S. borders.

(Sec. 60002) This section provides funding for CBP personnel, bonuses, facilities, and fleet vehicles.

(Sec. 60003) This section provides funding for CBP inspection and surveillance equipment, rapid air and marine response capabilities, vetting, expansion of criminal history databases, and activities to prevent drug trafficking.

(Sec. 60004) This section provides funding to the Department of Homeland Security to reimburse states for costs associated with actions taken on or after January 21, 2021, to enforce immigration laws and to prevent the unlawful entry into the United States of persons and contraband.

(Sec. 60005) This section provides funding to the Federal Emergency Management Agency (FEMA) to reimburse state and local law enforcement for extraordinary costs associated with protecting a residence of the President.

(Sec. 60006) This section provides funding to FEMA (1) to assist state and local authorities to detect, identify, track, or monitor unmanned aircraft systems; (2) for security, planning, and other costs related to the 2026 FIFA World Cup; (3) for security, planning, and other costs related to the 2028 Olympic Games and 2028 Paralympic Games; and (4) for the Operation Stonegarden grant program.

TITLE VII--COMMITTEE ON THE JUDICIARY

Subtitle A--Immigration Matters

Part 1--Immigration Fees

This part establishes additional or increased fees for various immigration programs and procedures.

These fees include those required for

- applications for asylum,
- employment authorizations for asylees, parolees, and individuals granted temporary protected status,
- individuals paroled into the United States,
- individuals applying for special immigrant juvenile status,
- individuals applying for Temporary Protected Status, and
- sponsoring the placement of an unaccompanied child.

This part also establishes various fees for specified judicial and adjudicative filings, including

- filing in immigration court an application for waiver of grounds of inadmissibility,
- filing an appeal of a decision of an immigration judge or a DHS officer, and
- a practitioner filing an appeal in a disciplinary case.

Part 2--Use of Funds

This part provides funding for various immigration agencies and offices for purposes of immigration enforcement, removal, maintenance of facilities, and program operations. This includes the Executive Office for Immigration Review, U.S. Immigration and Customs Enforcement, U.S. Customs and Border Protection, the Office of Refugee Resettlement, and the performance of immigration officer functions by state officers and employees.

(Sec. 70120) This section provides funding for the U.S. Secret Service.

(Sec. 70121) This section provides funding for the Department of Justice (DOJ) to combat drug trafficking.

Subtitle B--Regulatory Matters

(Sec. 70200) This section provides funding to the Office of Management and Budget to revise regulatory processes and to analyze and review rules issued by

- the Department of Education,
- the Department of Energy,
- the Department of Health and Human Services,
- DHS,
- DOJ,
- the Consumer Financial Protection Bureau, and
- the Environmental Protection Agency.

Subtitle C--Other Matters

(Sec. 70300) This section prohibits DOJ from entering into or enforcing a settlement agreement on behalf of the United States that provides for a payment to any person or entity other than the United States. The section provides exceptions to allow payments that (1) remedy actual harm (including to the environment) caused by the party making the payment, or (2) constitute a payment for services rendered in connection with the case.

The DOJ Office of the Inspector General must report annually on any settlement agreements that violate the section's requirements.

(Sec. 70301) This section expands the definition of solicitation of orders to include business activities that serve an independently valuable business function apart from the solicitation of orders for purposes of the limitation on a state's authority to impose a net income tax on an out-of-state seller.

Under current law, a state is prohibited from imposing a net income tax on income derived from within the state from interstate commerce if the only business activity within the state is the solicitation of orders for the sale of tangible personal property, provided that the orders are approved (or rejected) and filled by shipment or delivery from outside of the state. Further, the Supreme Court has held that the term solicitation of orders includes (1) activities that are strictly essential to making requests for purchases, and (2) ancillary activities that serve no independent business function apart from their connection to requests for purchases.

Under this section, the definition of solicitation of orders is expanded to include business activities that facilitate the solicitation of orders even if such business activities serve an independently valuable business function apart from the solicitation.

(Sec. 70302) This section limits the ability of U.S. courts to enforce a citation for contempt for failure to comply with an injunction or temporary restraining order. Specifically, if no security was given when the injunction or order was issued, the

citation of contempt may not be enforced. This limitation applies to injunctions or orders issued before, on, or after the date of enactment.

TITLE VIII--COMMITTEE ON NATURAL RESOURCES

Subtitle A--Energy and Mineral Resources

Part 1--Oil and Gas

(Sec. 80101) This section establishes requirements about leasing onshore federal land for oil and natural gas development, including by directing the Department of the Interior to immediately resume onshore quarterly lease sales.

(Sec. 80102) This section reinstates noncompetitive leasing procedures under the Mineral Leasing Act to require lands that do not receive bids during an oil and gas lease sale, or where the highest bid is less than the national minimum, to be offered within 30 days for noncompetitive leasing and remain available for leasing for a two-year period.

(Sec. 80103) This section directs Interior to approve applications that allow for the commingling of production from two or more sources (e.g., the area of an oil and gas lease and nonfederal property) before production reaches the point of royalty measurement if a fee of \$10,000 is paid and other conditions are met.

It also directs Interior to establish a permit-by-rule process under which leaseholders may obtain approval to drill for oil and gas on federal land if the leaseholder pays a \$5,000 fee and complies with other established regulations.

(Sec. 80104) This section prohibits Interior from requiring a permit to drill for an oil and gas lease under the Mineral Leasing Act if the leaseholder pays a fee of \$5,000 and criteria related to nonfederal ownership of the land or minerals are met.

(Sec. 80105) This section decreases the minimum royalty rates for onshore and offshore development of oil and gas on federal lands.

Part 2--Geothermal

(Sec. 80111) This section directs Interior to hold geothermal lease sales annually and conduct replacement sales for canceled or delayed lease sales.

(Sec. 80112) This section modifies royalty provisions under the Geothermal Steam Act of 1970, including by stating that geothermal facilities on the same geothermal lease are treated as separate facilities with respect to royalty payment.

Part 3--Alaska

(Sec. 80121) This section modifies provisions concerning the production of oil and gas from the Arctic National Wildlife Refuge (ANWR) in Alaska, including by providing for the reissuance of certain leases for energy development.

The section also directs Interior to conduct at least four lease sales under the Coastal Plain Oil and Gas Leasing Program in the ANWR not later than seven years after enactment of the bill. Additionally, it outlines how the revenues derived from the program must be divided between Alaska and the federal government.

Part 4--Coal

(Sec. 80141) This section directs Interior to publish an environmental review, hold certain coal lease sales, and issue the leases within 90 days for any pending lease applications as well as within 90 days of submission for new applications.

Interior must also make available for lease known recoverable coal resources of at least 4 million additional acres on certain federal land in western states.

(Sec. 80142) This section nullifies Interior's Secretarial Order 3338, which placed a hold on most new federal coal leases until the BLM completes a comprehensive review of the federal coal program.

(Sec. 80143) This section temporarily decreases the royalty rate for coal leases on federal lands.

(Sec. 80144) This section authorizes all federal coal reserves leased under Federal Coal Lease MTM 97988 to be mined in accordance with the Bull Mountains Mining Plan Modification.

Part 5--NEPA

(Sec. 80151) This section modifies the environmental review process under the National Environmental Policy Act of 1969 (NEPA), including by (1) allowing a project subject to NEPA review to opt to pay a fee for the preparation and completion of an environmental assessment (EA) or environmental impact statement (EIS) by certain deadlines, and (2) eliminating administrative and judicial review of the adequacy of such EA or EIS.

(Sec. 80152) This section rescinds certain funding for the Council on Environmental Quality, including funding for (1) collecting data related to environmental and climate issues, (2) tracking disproportionate burdens and cumulative impacts, and (3) supporting efforts to ensure that any mapping or screening tool is accessible to community-based organizations and community members.

Part 6--Miscellaneous

(Sec. 80161) This section establishes a filing fee for protests of oil and gas lease sales.

Part 7--Offshore Oil and Gas Leasing

(Sec. 80171) This section directs Interior to hold a specified number of offshore oil and gas lease sales on certain submerged lands of the Outer Continental Shelf (OCS), including areas in the Gulf of America and the Cook Inlet Planning Area in Alaska.

(Sec. 80172) This section directs Interior to approve operator requests to commingle production from multiple reservoirs within a single wellbore completed on the OCS of the Gulf of America unless conclusive evidence shows the practice would be unsafe or reduce the recovery of oil.

(Sec. 80173) This section modifies the Gulf of Mexico Energy Security Act of 2006 to raise the cap on the distribution of OCS revenues from \$500 million to \$650 million for FY2026-FY2034.

Part 8--Renewable Energy

(Sec. 80181) This section establishes requirements related to renewable energy fees on federal lands, including by providing statutory authority for annual acreage rent for wind and solar rights-of-way.

(Sec. 80182) This section provides a mechanism for states, counties, and the federal government to share revenues from renewable energy projects on public lands.

Subtitle B--Water, Wildlife, and Fisheries

(Sec. 80201) This section rescinds funding provided to the National Oceanic and Atmospheric Administration (NOAA) for the conservation, restoration, and protection of coastal habitat, marine habitats, and marine fisheries. NOAA uses the funding to provide financial or technical assistance to coastal states and other eligible entities in order to enable coastal communities prepare for extreme storms and other changing climate conditions.

(Sec. 80202) This section rescinds funding for certain NOAA facilities (e.g., piers, fisheries laboratories, and national marine sanctuaries facilities).

(Sec. 80203) This section provides funding to the Bureau of Reclamation for construction and associated activities that increase the capacity of existing Reclamation surface water storage facilities.

(Sec. 80204) This section provides funding to Reclamation for construction and associated activities that increase the capacity of existing Reclamation conveyance facilities.

Subtitle C--Federal Lands

(Sec. 80301) This section rescinds certain funds provided to the Forest Service regarding the protection of old-growth forests on National Forest System land.

(Sec. 80302) This section rescinds certain funding for Interior to carry out certain projects concerning the conservation, protection, and resiliency of lands and resources administered by the National Park Service (NPS) and the BLM.

(Sec. 80303) This section rescinds funding for certain conservation and ecosystem and habitat restoration projects on lands administered by the NPS and the BLM.

(Sec. 80304) This section rescinds certain funding provided to the NPS for hiring more employees.

(Sec. 80305) This section provides funding to Interior (1) to establish and maintain a statutory park named the National Garden of American Heroes; and (2) for events, celebrations, and activities related to the 250th anniversary of America's founding.

(Sec. 80306) This section directs the Forest Service to annually enter into at least one 20-year or longer contract or agreement with private persons or other entities for timber harvesting in each of its regions for FY2025-FY2034.

(Sec. 80307) This section directs the BLM to annually enter into at least one 20-year or longer contract or agreement with private persons or other entities to dispose of vegetative materials on certain federal lands for FY2025-FY2034.

(Sec. 80308) This section requires the Forest Service to direct timber harvests on certain public lands in amounts that (1) equal or exceed the volume that is 25% higher than the average volume sold on such lands between FY2020 through FY2024; and (2) are in accordance with the applicable forest plan.

(Sec. 80309) This section requires the BLM to direct timber harvests on specified public lands in amounts that (1) equal or exceed the volume that is 25% higher than the average volume sold on such lands between FY2020 through FY2024; and (2) are in accordance with the applicable forest plan.

TITLE IX--COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

This title makes changes to the Federal Employees' Retirement System (FERS). It also revises fees collected by the Merit Systems Protection Board (MSPB) and revises the Federal Employees Health Benefits (FEHB) Program.

(Sec. 90001) This section eliminates the FERS annuity supplement for new retirees not yet entitled to it. (Under current law, certain FERS employees who retire before age 62 with certain years of service receive a supplement to their annuity, which ends when the retiree turns 62 or becomes eligible to receive Social Security benefits.) Employees who retire under a mandatory authority, employees in certain positions (such as law

enforcement officers) meeting criteria for immediate retirement, and employees who retire before enactment of this section continue to receive the annuity supplement.

(Sec. 90002) This section requires most new federal civilian employees to choose either to serve as at-will employees or to contribute an additional 5% of their salary to FERS.

Specifically, the section increases the contribution rate from 4.4% to 9.4% of pay for these employees (or from 4.9% to 9.9% for groups covered by enhanced retirement benefits) unless they elect to be employed on an at-will basis. Employees who elect to be employed on an at-will basis may be subject to adverse actions, including termination, without notice or the right to appeal the action.

(Sec. 90003) This section directs the MSPB to establish and collect a filing fee for employees, former employees, or applicants who file claims or appeals with the MSPB. This fee must be in the amount required for federal district court filings (currently, \$350). If the individual is successful in their claim, the fee must be returned to that individual. The section provides an exception for actions brought by the Office of Special Counsel to the MSBP and for claims alleging retaliation against whistleblowers.

(Sec. 90004) This section requires the Office of Personnel Management (OPM) to issue regulations and implement a process to verify (1) the veracity of any qualifying life event through which an enrollee in the FEHB Program seeks to add a family member for coverage under the program; and (2) that, when an enrollee seeks to add a family member to the FEHB program, the individual added is a qualifying family member.

The section also requires OPM to conduct a comprehensive audit regarding family members enrolled in the FEHB program. In conducting this audit, OPM must review marriage certificates, birth certificates, and other appropriate documents to determine eligibility.

OPM must develop a process to disenroll or remove an individual who is not eligible to participate in the FEHB program and notify the OPM inspector general of such disenrollment or removal.

The section allows for some Employees Health Benefits Fund amounts to be available to OPM annually starting in FY2026 to develop, maintain, and conduct ongoing eligibility verification and oversight and oversight of the FEHB enrollment and eligibility systems. Other amounts shall be available for audit activities.

For more information on this title, see CRS In Focus [IF12996, House Oversight and Government Reform \(HOCR\) Reconciliation Committee Print Pursuant to H.Con.Res. 14](#).

TITLE X--COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

(Sec. 100001) This section provides the Coast Guard with specified funds for FY2025, to remain available through FY2029. This includes funds for

- fixed and rotary wing aircraft,
- long-range unmanned aircraft systems,
- Offshore Patrol Cutters,
- Fast Response Cutters,
- Polar Security Cutters,
- Arctic Security Cutters and domestic icebreakers,
- depot maintenance, and
- shoreside infrastructure.

(Sec. 100002) This section increases tonnage duties charged to vessels that enter U.S. ports. In general, the section would increase tonnage duty rates by 125% relative to rates under current law.

(Sec. 100003) This section requires the Federal Highway Administration (FHWA) to impose annual federal registration fees on owners of electric and hybrid vehicles and provides funding for the FHWA to award grants to states for implementing systems for collecting the fees. States must collect a fee of \$250 for electric vehicles and \$100 for hybrid vehicles. The amounts must be adjusted annually for inflation. The fees terminate on October 1, 2035.

(Sec. 100004) This section requires the FHWA to transfer amounts collected from the new annual registration fees for electric and hybrid vehicles to the Highway Trust Fund.

(Sec. 100005) This section provides specified funds to the Federal Motor Carrier Safety Administration (FMCSA) to establish a public website to present data on motor carriers in order to indicate whether each motor carrier meets FMCSA operating requirements. The website must display specific statements to indicate whether the motor carrier does or does not meet FMCSA operating requirements.

FMCSA must assess an annual fee of \$100 on each person seeking access to the website.

A broker, freight forwarder, or household goods freight forwarder that uses the website to ensure that a motor carrier engaged by such broker, freight forwarder, or household goods freight forwarder meets FMCSA operating requirements shall be considered to have taken reasonable and prudent determinations in engaging such motor carrier.

(Sec. 100006) This section rescinds the unobligated balances for the following activities and programs that were funded as part of the Inflation Reduction Act of 2022 (Public Law 117–169):

- the Alternative Fuel and Low-Emission Aviation Technology Program, which includes the Fueling Aviation’s Sustainable Transition (FAST), of the Federal Aviation Administration (FAA);
- the Neighborhood Access and Equity Grant Program of the Federal Highway Administration;
- funding provided to the Federal Buildings Fund for the conversion of General Services Administration (GSA) facilities to high-performance green buildings;
- funding provided to the Federal Buildings Fund for acquiring and installing low-carbon materials and products in the construction of federal buildings;
- the emerging and sustainable technology program of the GSA;
- the Low Carbon Transportation Materials Grants Program of the Federal Highway Administration (FHWA); and
- Environmental Review Implementation Funds of the FHWA.

(Sec. 100007) This section provides the Federal Aviation Administration with specified funds for FY2025, to remain available through FY2029. This includes additional funding for

- air traffic control tower and terminal radar approach control facility replacement;
- radar systems replacement;
- telecommunications infrastructure and systems replacement;
- runway safety projects and airport surface surveillance projects; and
- air traffic controller recruitment, retention, training, and advanced training technologies.

The FAA must submit a report to Congress every 90 days on these expenditures.

(Sec. 100008) This section provides specified funds for the John F. Kennedy Center for the Performing Arts in Washington, DC, for FY2025, to remain available until September 30, 2029. This funding is for the capital repair, restoration, the maintenance backlog, and security structures of the building and site.

TITLE XI--COMMITTEE ON WAYS AND MEANS, “THE ONE, BIG, BEAUTIFUL BILL”

Subtitle A--Make American Families and Workers Thrive Again

Part 1--Permanently Preventing Tax Hikes on American Families and Workers

This part makes permanent multiple individual federal tax provisions enacted in 2017 by the Tax Cuts and Jobs Act.

Below are some examples of provisions in this part.

(Sec. 110001) This section makes permanent the individual tax rates of 10%, 12%, 22%, 24%, 32%, 35%, and 37%.

(Sec. 110002) This section makes permanent the increased standard deduction and provides an additional increase in the standard deduction in the amount of \$1,000 (or \$2,000 for joint filers and \$1,500 for head of household filers) through 2028.

(Sec. 110003) This section permanently repeals the allowance of a deduction for personal exemptions.

(Sec. 110004) This section increases the maximum amount of the child tax credit to \$2,500 per qualifying child through 2028 and extends the maximum amount of the child tax credit of \$2,000 (originally enacted as part of the Tax Cuts and Jobs Act in 2017) beginning in 2029. Further, this section adjusts the maximum amount of the child tax credit for inflation beginning in 2029.

This section also makes permanent the

- phaseout threshold of \$200,000 (or \$400,000 for joint filers),
- \$500 nonrefundable child tax credit for each dependent (who is not a qualifying child), and
- refundable portion of the child tax credit for taxpayers who meet certain requirements.

This section also extends the child tax credit identification requirements applicable to qualifying children and expands such identification requirements to include the taxpayer and taxpayer's spouse (if filing jointly). Beginning in 2025, under this section, a taxpayer must provide a work-eligible Social Security number for themselves, their spouse (if filing jointly), and for each qualifying child.

(Sec. 110005) This section extends and increases to 23% (from 20%) the tax deduction for qualified business income (QBI). This section also modifies limitations on the QBI tax deduction based on W-2 wages, capital investments, and other specified income.

(Sec. 110006) This section increases the base estate tax, gift tax, and generation-skipping transfer tax exemption amount after 2025 to \$15 million (from \$5 million), adjusted for inflation.

(Sec. 110007) This section makes permanent the increased alternative minimum tax exemption amount and phaseout threshold (applicable to individuals, trusts, and estates).

(Sec. 110008) This section makes permanent the limit on the itemized tax deduction for home mortgage interest. Under this section, taxpayers who itemize their tax deductions may deduct interest paid on the first \$750,000 (or \$375,000 for married individuals filing separately) of mortgage debt. (Taxpayers who itemize their tax deductions may deduct interest paid on the first \$1 million (or \$500,000 for married individuals filing separately) of mortgage debt incurred prior to December 15, 2017.)

(Sec. 110009) This section makes permanent a provision that limits the itemized tax deduction for unreimbursed personal casualty losses to such losses associated with a federally declared disaster.

(Sec. 110010) This section eliminates the itemized tax deduction for miscellaneous expenses.

(Sec. 110011) This section replaces the overall limitation on itemized tax deductions applicable for 2025 and after (known as the Pease limitation) with a modified limitation on itemized tax deductions.

For additional information see

- CRS Report [R47846, Reference Table: Expiring Provisions in the "Tax Cuts and Jobs Act" \(TCJA, P.L. 115-97\)](#)
- CRS Report [R48485, Economic Effects of the Tax Cuts and Jobs Act](#)
- CRS Report [R48286, Expiring Provisions of P.L. 115-97 \(the Tax Cuts and Jobs Act\): Economic Issues](#)

Part 2--Additional Tax Relief for American Families and Workers

This part establishes multiple new above-the-line tax deductions and makes other changes to individual-related federal tax provisions. (Above-the-line deductions are subtracted from gross income to calculate adjusted gross income.)

Below are some examples of provisions in this part.

(Sec. 110101) This section establishes a new above-the-line tax deduction, through 2028, for qualified tip income for individuals whose earned income does not exceed a certain amount (\$160,000 in 2025 and adjusted annually for inflation). To be eligible for the tax deduction for qualified tip income, taxpayers must provide a work-eligible Social Security number for themselves and their spouse (if filing jointly).

(Sec. 110102) This section establishes a new above-the-line tax deduction, through 2028, for qualified overtime income for individuals whose earned income does not exceed a certain amount (\$160,000 in 2025 and adjusted annually for inflation). To be eligible for the tax deduction for qualified overtime income, taxpayers must provide a work-eligible Social Security number for themselves and their spouse (if filing jointly).

(Sec. 110103) This section increases by \$4,000 (per individual), through 2028, the additional standard deduction amount for individuals who are 65 or older. The additional increase in the standard deduction for individuals who are 65 or older also may be claimed by taxpayers who itemize deductions, but phases out for taxpayers with modified adjusted gross income that exceeds \$75,000 (or \$150,000 for joint filers). Further, to be eligible for the increased standard deduction for individuals who are 65 or older, the taxpayer (and the taxpayer's spouse if filing jointly) must provide a work-eligible Social Security number.

(Sec. 110104) This section establishes a new above-the-line tax deduction of up to \$10,000 for interest paid on indebtedness incurred in 2025 through 2028 to buy a passenger vehicle (for personal use). The tax deduction phases out for taxpayers with modified adjusted gross income that exceeds \$100,000 (or \$200,000 for joint filers).

(Sec. 110105) This section increases the tax credit for employers that provide child care to their employees. Under this section, the portion of the tax credit for qualified child care expenses increases to 40% (from 25%) or to 50% for eligible small businesses. This section also increases the maximum amount of the tax credit to \$500,000 (from \$150,000) or \$600,000 for eligible small businesses (adjusted for inflation).

(Sec. 110110) This section expands the expenses eligible for tax-free withdrawals from qualified tuition programs (529 plans) to include certain additional expenses related to elementary, secondary, or homeschool education.

(Sec. 110111) This section expands the expenses eligible for tax-free withdrawals from 529 plans to include tuition, fees, books, supplies, equipment, and other expenses related to the enrollment or attendance in a recognized postsecondary credentialing program.

(Sec. 110112) This section establishes a tax deduction of up to \$150 (or \$300 for joint filers) for charitable contributions by taxpayers who do not itemize their tax deductions.

(Sec. 110115) This section establishes a new type of tax-advantaged account, called Trump accounts, for individuals under eight years old. Up to \$5,000 per year (adjusted for inflation) may be contributed to a Trump account (not including certain rollovers) and distributions may be used for certain education-related expenses, small business expenses, and the purchase of a principal residence by a first-time homebuyer. (Some limitations apply).

(Sec. 110116) This section authorizes a one-time federal government deposit of \$1,000 into a Trump account for individuals born between 2025 and 2029 who meet certain other requirements.

For more information see

- CRS In Focus [IF12728, Taxation of Tip Income](#)
- CRS Report [R42807, Tax-Preferred College Savings Plans: An Introduction to 529 Plans](#)

Part 3--Investing in the Health of American Families and Workers

This part modifies certain health reimbursement arrangement (HRA) rules, increases health savings account (HSA) contribution limits, expands HSA eligibility requirements, and makes other changes to HSAs and high-deductible health plans (HDHP).

Below are some examples of provisions in this part.

(Sec. 110201) This section provides statutory authority for employers to contribute to an individual coverage HRA, subject to certain limitations and requirements and renames such arrangements as Custom Health Option and Individual Care Expense (or CHOICE) arrangements.

(Sec. 110202) This section allows employees enrolled in a CHOICE arrangement to use a cafeteria plan (e.g., flexible spending account) to purchase individual health insurance through a health insurance exchange.

(Sec. 110203) This section establishes a new tax credit (as part of the general business tax credit) for certain small businesses whose employees are enrolled in a CHOICE arrangement. The amount of the tax credit is \$100 (adjusted annually for inflation) per month per employee for the first year of enrollment in a CHOICE arrangement and, then, half such amount per month per employee for the second year of enrollment.

(Sec. 110204) This section expands eligibility to make tax-deductible HSA contributions to allow certain individuals who are 65 or older and are enrolled in Medicare Part A to contribute to an HSA.

(Sec. 110205) This section expands eligibility to make tax-deductible HSA contributions to include individuals who have a direct primary care service arrangement with a fixed period fee that does not exceed \$150 a month (or \$300 a month if the arrangement covers more than one individual). The amounts are adjusted annually for inflation. Some limitations apply.

(Sec. 110206) This section expands eligibility to make tax-deductible HSA contributions to include individuals who have a bronze-level or catastrophic health insurance plan through a health insurance exchange.

(Sec. 110207) This section provides statutory authority for individuals to contribute to an HSA while also accessing some types of health care at an employer-sponsored clinic on the employer's premises or at a health care facility operated by an employer for the benefit of employees.

(Sec. 110208) This section allows taxpayers to use up to \$500 a year (\$1,000 per year for joint filers) in HSA funds to pay for a membership at a fitness facility or for participation or instruction in physical exercise or physical activity. (Some limitations apply.)

(Sec. 110209) This section allows married individuals who are 55 or older to make catch-up contributions to the same HSA. (Some limitations apply.)

(Sec. 110210) This section allows individuals to roll over amounts in a flexible spending arrangement (FSA) or HRA into an HSA. (Some limitations apply.)

(Sec. 110211) This section excludes from taxable income any distributions from an HSA used to pay qualified medical expenses incurred before the HSA is established if the HSA is established within 60 days from the first day of coverage under an HDHP.

(Sec. 110212) This section allows an individual to contribute to an HSA, even if covered by a spouse's FSA. (Some limitations apply.)

(Sec. 110213) This section increases HSA contribution limits by \$4,300 for individuals with self-only coverage and by \$8,550 for individual with family coverage, adjusted annually for inflation. The increase in HSA contributions begins to phase out for individuals with an adjusted gross income exceeding \$75,000 (or \$150,000 for joint filers who have family coverage). (Some limitations apply.)

For more information see CRS Report [R45277, Health Savings Accounts \(HSAs\)](#)

Subtitle B--Make Rural America and Main Street Grow Again

Part 1--Extension of Tax Cuts and Jobs Act Reforms for Rural America and Main Street

This part makes a number of changes to business-related federal tax provisions.

Below are some examples of provisions in this part.

(Sec. 111001) This section extends 100% bonus depreciation for qualified property acquired and placed into service after January 19, 2025, and before January 1, 2030 (and before January 1, 2031, for some types of property with longer production periods).

(Sec. 111002) This section temporarily suspends (through 2029) the amortization (over five years) of domestic research and experimental expenses and allows such expenses to be deducted or capitalized. (Some limitations apply.)

(Sec. 111003) This section expands the exclusion of interest on floor plan financing from the limit on the tax deduction for business interest expenses to include interest on floor plan financing of any camper or trailer designed to (1) provide temporary living quarters for recreational, camping, or seasonal use; and (2) be towed by, or affixed to, a motor vehicle.

(Sec. 111004) This section increases the foreign-derived intangible income tax deduction to 36.5% (from 21.875%) and increases the deduction for global intangible low-taxed income to 49.2% (from 37.5%).

(Sec. 111005) This section reduces the base erosion rate to 10.1% (from 12.5%).

For additional information see

- CRS Report [R47846, Reference Table: Expiring Provisions in the "Tax Cuts and Jobs Act" \(TCJA, P.L. 115-97\)](#)
- CRS Report [R48485, Economic Effects of the Tax Cuts and Jobs Act](#)
- CRS Report [R48286, Expiring Provisions of P.L. 115-97 \(the Tax Cuts and Jobs Act\): Economic Issues](#)
- CRS Report [RL31852, The Section 179 and Section 168\(k\) Expensing Allowances: Current Law, Economic Effects, and Selected Policy Issues](#)

Part 2--Additional Tax Relief for Rural America and Main Street

This part makes a number of changes to business-related federal tax provisions.

Below are some examples of provisions in this part.

(Sec. 111101) This section provides for an elective 100% depreciation allowance for nonresidential real property that meets certain requirements. (Some limitations apply.)

(Sec. 111102) This section extends the Opportunity Zone program to allow for the designation of additional qualified opportunity zones. It also modifies the definition of low-income community and other requirements for the program.

(Sec. 111103) This section increases to \$2.5 million (from \$1.25 million in 2025 and adjusted annually for inflation) the maximum amount that may be deducted (expensed) for certain depreciable business assets. This section also increases to \$4 million (from \$3.13 million in 2025 and adjusted annually for inflation) the dollar amount at which the

tax deduction begins to phase out. Both amounts continue to be annually adjusted for inflation.

(Sec. 111107) This section expands the federal tax deduction for certain film, television, and theatrical production costs to allow a deduction of up to \$150,000 of qualified sound recording production costs in the tax year such costs are incurred. A *qualified sound recording production* is a sound recording that is produced and recorded in the United States. (Under current law, up to \$20 million of film, television, and theatrical production costs incurred before 2026 may be deducted.)

The section also extends bonus depreciation to qualified sound recording production costs.

(Under current law, taxpayers may claim a bonus depreciation allowance of between 20% to 100% of the cost of qualified property depending on when such property is placed into service. Section 111001 of the bill extends 100% bonus depreciation through 2029 [or 2030 for some types of property].)

(Sec. 111109) This section allows manufacturers with average annual gross receipts (over the three previous years) that do not exceed \$80 million (increased from \$25 million) to use the cash method of accounting. (Under the cash method of accounting, income is reported in the year that it is received and deductions and credits are claimed for the year in which the expenses are actually paid.)

(Sec. 111110) This section allows certain U.S. shareholders (individuals, trusts, estates, and certain closely-held C corporations) of a controlled foreign corporation to exclude certain income earned from services provided in the Virgin Islands from the calculation of global intangible low-taxed income (GILTI).

(Sec. 111111) This section extends the clean fuel production tax credit through 2031 and

- requires that clean fuels produced from feedstock use feedstock sourced from the United States, Canada, or Mexico;
- excludes emissions attributable to an indirect land use change from the calculation of lifecycle emissions estimates (used in part of the calculation of the clean fuel production tax credit); and
- requires the Department of the Treasury to provide distinct emission rates for specific feedstocks used to produce clean fuels, including dairy manure, swine manure, and poultry manure.

This section also disallows the clean fuel production tax credit for certain foreign entities and foreign-influenced entities (e.g., taxpayers that make certain types of payments to certain foreign entities).

Subtitle C--Make America Win Again

Part 1--Working Families Over Elites

This part modifies, phases out, and terminates multiple energy-related federal tax credits. This part also modifies the federal tax deduction for state and local taxes and the excise tax imposed on the net investment income of certain organizations.

Below are some examples of provisions in this part.

(Sec. 112001) This section terminates the previously-owned clean vehicle tax credit. (Under current law, taxpayers may claim a tax credit of up to \$4,000 for the purchase of a qualified previously-owned clean vehicle before 2033.)

(Sec. 112002) This section terminates the clean vehicle tax credit. (Under current law, taxpayers may claim a tax credit of up to \$7,500 for the purchase of a qualified new clean vehicle before 2033.)

(Sec. 112003) This section terminates the qualified commercial clean vehicle tax credit. (Under current law, businesses may claim a tax credit of up to \$40,000 for the purchase of a commercial clean vehicle before 2033.)

(Sec. 112004) This section terminates the alternative fuel refueling property tax credit. (Under current law, tax credit of up to \$1,000 for individuals or up to \$100,000 for businesses is allowed for the installation of property before 2033 that is used to store or dispense clean-burning fuel or to recharge electric vehicles.)

(Sec. 112005) This section terminates the energy efficient home improvement tax credit. (Under current law, taxpayers may claim a tax credit of up to \$3,200, for certain energy-efficient property purchased and installed into a primary residence before 2033.)

(Sec. 112006) This section terminates the residential clean energy tax credit. (Under current law, taxpayers may claim a tax credit for certain renewable energy equipment for a principal residence before 2034.)

(Sec. 112007) This section terminates the new energy efficient home tax credit. (Under current law, contractors may claim a business tax credit for constructing an energy-efficient home that is acquired by a person for use as a residence before 2033.)

(Sec. 112008) This section generally terminates the clean electricity production tax credit for an otherwise qualified facility placed into service after 2028 or for which construction begins after 60 days from the date of enactment of this section (with a

limited exception for certain advanced nuclear facilities). (Under current law, a tax credit is available for the production and sale of zero-emissions electricity by a qualified facility placed into service after 2024.)

This section also disallows the clean electricity production tax credit for certain foreign entities, facilities that receive material assistance from certain foreign entities, and taxpayers that make certain types of payments to certain foreign entities.

(Sec. 112009) This section generally terminates the clean electricity investment tax credit for an otherwise qualified facility placed into service after 2028 or for which construction begins after 60 days from the date of enactment of this section (with a limited exception for certain advanced nuclear facilities). (Under current law, a tax credit is available for investments in qualified energy property by a facility that produces zero-emissions electricity that is placed into service after 2024.)

This section also disallows the clean electricity investment tax credit for certain foreign entities, facilities that receive material assistance from certain foreign entities, and taxpayers that make certain types of payments to certain foreign entities.

(Sec. 112012) This section accelerates the expiration of the zero-emission nuclear power production tax credit to December 31, 2031 (from December 31, 2032). (Under current law, a tax credit is available for qualified nuclear power facility before 2033.)

This section also disallows the zero-emission nuclear power production tax credit for certain foreign entities.

(Sec. 112013) This section terminates the clean hydrogen production tax credit. (Under current law, a tax credit is available for the production of clean hydrogen by a qualifying facility for which construction begins before 2033.)

(Sec. 112014) This section phases out the advance manufacturing production tax credit. (Under current law, a tax credit is available for certain inverters, solar energy components, wind energy components, qualified battery components, and critical minerals produced and sold before 2033.)

This section also disallows the advance manufacturing production tax credit for certain foreign entities, facilities that receive material assistance from certain foreign entities, and taxpayers that make certain types of payments to certain foreign entities.

(Sec. 112015) This section accelerates the phaseout of the energy investment tax credit for investments in certain geothermal facilities. Under this section, to be eligible for the tax credit, the construction on the geothermal facility must begin before 2032. (Under current law, the energy investment tax credit is available for investments in geothermal facility for which construction begins before 2035.)

This section also disallows the energy investment tax credit for certain foreign entities, facilities that receive material assistance from certain foreign entities, and taxpayers that make certain types of payments to certain foreign entities.

(Sec. 112018) This section increases the limitation on the federal tax deduction for state and local taxes (commonly known as the SALT deduction cap) to \$40,400 (or \$20,200 for married individuals filing separately). Under this section, the SALT deduction cap is reduced for taxpayers with an adjusted gross income over \$505,000 (or \$202,500 for married individuals filing separately), but not below \$10,000 (or \$5,000 for married individuals filing separately).

The section increases the dollar amounts for the limitations on the SALT deduction by 1% per year for tax years 2027-2033 and establishes a permanent limitation for subsequent years that is equal to the 2033 levels.

This section also

- prohibits the SALT deduction for foreign real property taxes (other than foreign real property taxes paid or accrued by certain entities in carrying out a trade or business),
- prohibits certain partnerships and S corporations from claiming the SALT deduction for specific taxes, and
- limits the SALT deduction for payments made to a state or local jurisdiction that generate a specific tax benefit.

(Sec. 112021) This section replaces the excise tax of 1.4% imposed on the net investment income of certain private university and college endowments with a new rate structure of 1.4%, 7%, 14%, or 21%, depending on several variables including the value of the endowment and the number of full-time students who meet certain other requirements.

(Sec. 112029) This section removes firearm silencers from the definition of a firearm under the National Firearms Act of 1934 and eliminates the \$200 excise tax on the making or transfer of firearm silencers.

For more information see

- CRS Report [R46865, Energy Tax Provisions: Overview and Budgetary Cost](#)
- CRS Report [R46246, The SALT Cap: Overview and Analysis](#)
- CRS Report [R44293, College and University Endowments: Overview and Tax Policy Options](#)

Part 2--Removing Taxpayer Benefits for Illegal Immigrants

This part modifies eligibility requirements for the premium tax credit and certain other tax credits. This part also imposes an excise tax on certain remittance transfers.

Below are some examples of provisions in this part.

(Sec. 112101) This section allows lawfully-present aliens to claim the premium tax credit to purchase health insurance on an exchange only if they meet certain requirements (subject to exceptions provided in Sec. 112102).

(Sec. 112102) This section repeals the rule that allows certain lawfully-present aliens who have a household income of less than 100% of the federal poverty level and are ineligible for Medicaid (based on the individual's alien status) to claim the premium tax credit.

(Sec. 112103) This section limits Medicare benefits to an individual who is

- a U.S. citizen or national;
- an alien who is lawfully admitted for permanent residence;
- an alien who is a Cuban citizen or national and meets certain requirements; or
- an individual who is lawfully residing in the United States in accordance with the Compacts of Free Association between the United States and Micronesia, the Marshall Islands, and Palau.

This section also requires the Social Security Administration to identify individuals who do not meet the Medicare eligibility requirements of this section and to notify such individuals of the termination (one year from the date this section is enacted) of their Medicare benefits.

(Sec. 112104) This section establishes a 3.5% excise tax on transfers of payments from one country to another (also known as remittance transfers). (Some exceptions apply).

(Sec. 112105) This section requires a Social Security number to be eligible for the American Opportunity and Lifetime Learning tax credits.

For more information see

- CRS Report [R44425, Health Insurance Premium Tax Credit and Cost-Sharing Reductions](#)
- CRS Report [R48290, Enhanced Premium Tax Credit Expiration: Frequently Asked Questions](#)

Part 3--Prevent Fraud, Waste, and Abuse

This part modifies multiple federal tax administrative and penalty provisions.

Below are some examples of provisions in this part.

(Sec. 112205) This section establishes a new certification program for claiming the earned income tax credit.

(Sec. 112206) This section directs the Internal Revenue Service to terminate the Direct File program.

(Sec. 112207) This section increases the penalties for the unauthorized disclosure of taxpayer information.

For more information see CRS Report [R43805, The Earned Income Tax Credit \(EITC\): How It Works and Who Receives It](#)

Subtitle D--Increase in Debt Limit

(Sec. 113001) This section increases the statutory debt limit by \$5 trillion. (The debt limit is the amount of money that the Department of the Treasury may borrow to fund federal operations.)