



TTAA Legislative & Regulatory Update

May 19, 2025

House Budget Committee Advances "One Big Beautiful Bill Act"

The House Budget Committee advanced President Trump's comprehensive legislative package—formally titled the One Big Beautiful Bill Act—in a narrow 17–16 vote during a late Sunday evening session. The advancement follows recent concessions made by House leadership to address concerns raised by fiscal conservatives after an earlier vote failed on Friday. Four members—Reps. Chip Roy (R-Texas), Ralph Norman (R-S.C.), Josh Brecheen (R-Okla.), and Andrew Clyde (R-Ga.)—voted “present” after previously opposing the measure.

Democrats remain largely opposed to the bill, which now proceeds to the House Rules Committee before heading to the floor for a full vote. Speaker Mike Johnson (R-La.) has indicated he aims to bring the legislation to a vote by the end of the week.

Should it pass the House, the bill would move to the Senate, where Republican lawmakers are already considering amendments—potentially complicating its path forward. GOP leaders plan to use the budget reconciliation process to advance the bill in the Senate, allowing them to bypass a Democratic filibuster. However, provisions must meet Senate reconciliation rules and may be subject to review and removal by the Senate parliamentarian.

Spanning more than 1,100 pages, the legislation includes sweeping tax, social policy, defense, and border security measures. Notable provisions include:

Key Highlights of the One Big Beautiful Bill Act **Tax Provisions**

- Permanent extension of individual tax cuts from the 2017 Tax Cuts and Jobs Act, with modifications.
- Temporary tax exemptions on tips, overtime pay, and auto loan interest.
- A new \$4,000 deduction for seniors, serving as an alternative to eliminating taxes on Social Security benefits (precluded by Senate budget rules).
- Increased cap on State and Local Tax (SALT) deductions.
- A new 21% tax on certain large university endowments.
- Elimination of the \$200 federal tax on firearm suppressors.

Federal Spending and Budget

- Raises the federal debt ceiling by \$4 trillion.
- Allocates \$175 billion to border security, including \$46.5 billion specifically for a U.S.–Mexico border wall.
- Provides \$150 billion in new defense spending:
 - \$25 billion for the proposed space-based “Golden Dome” missile defense system.
 - \$34 billion for Navy expansion and shipbuilding.
 - \$21 billion to replenish ammunition reserves.
 - \$5 billion in additional border enforcement.

Social Programs and Work Requirements

- Imposes an 80-hour monthly work requirement for able-bodied adults ages 19–64 enrolled in Medicaid (volunteer work and education qualify).
- Extends SNAP work requirements for childless adults from age 54 to 64.
- Penalizes states offering Medicaid to undocumented immigrants by reducing federal reimbursement.

- Requires states with high SNAP error rates to share financial responsibility.
- **Healthcare and Social Policy**
- Restricts Medicaid funding for large abortion providers like Planned Parenthood.
- Prohibits Medicaid coverage of gender-affirming surgeries.
- **Energy and Environment**
- Streamlines permitting for natural gas projects through a fast-track process funded by a 1% project fee or \$10 million cap.
- Repeals the Biden administration's electric vehicle mandate targeting two-thirds of new vehicle sales to be EVs by 2032.
- **Education and Family Savings**
- Introduces "MAGA Accounts"—\$1,000 federally funded savings accounts for children born between Jan. 1, 2024, and Dec. 31, 2028.
- Simplifies student loan repayment into two options:
 - A traditional plan with 10–25 year terms.
 - A more flexible "repayment assistance" plan.
- **Other Provisions**
- Repeals elements of the Inflation Reduction Act.
- Funds modernization of the national air traffic control system.

Interest Rates Remain the Same for Third Quarter of 2025

The Internal Revenue Service announces that interest rates will remain the same for the calendar quarter beginning July 1, 2025.

For individuals, the rate for overpayments and underpayments will be 7% per year, compounded daily. Here is a complete list of the interest rates:

- 7% for overpayments (payments made in excess of the amount owed), 6% for corporations.
- 4.5% for the portion of a corporate overpayment exceeding \$10,000.
- 7% for underpayments (taxes owed but not fully paid).
- 9% for large corporate underpayments.

Under the Internal Revenue Code, the rate of interest is determined on a quarterly basis. For taxpayers other than corporations, the overpayment and underpayment rates are equal to the federal short-term rate plus three percentage points.

Generally, in the case of a corporation, the underpayment rate is the federal short-term rate plus three percentage points and the overpayment rate is the federal short-term rate plus two percentage points.

The rate for large corporate underpayments is the federal short-term rate plus five percentage points.

The rate on the portion of a corporate overpayment of tax exceeding \$10,000 for a taxable period is the federal short-term rate plus one-half (0.5) of a percentage point.

These interest rates are computed from the federal short-term rate determined during April 2025.

[Revenue Ruling 2025-11 PDF](#) announcing the rates of interest will appear in Internal Revenue Bulletin 2025-23, dated June 2, 2025.



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