

## **Senate Republicans pass their megabill. Here's what you need to know.**

Good afternoon, all,

The Senate has passed the Republican megabill by a [vote](#) of 51-50, with three Republican senators opposed (Sens. Tillis, Paul, and Collins). The bill's latest [text](#) became public less than an hour before the vote.

Now the bill heads back to the House, where a handful of Republicans have [claimed](#) they could vote the bill down. Whether they'll make good on those claims remains to be seen. After all, numerous House Republicans had major qualms with the House version of the megabill but went on to [support](#) it without getting everything they wanted—and that was when the stakes were arguably lower. They're now three days from their self-imposed deadline to get the bill to the President's desk.

All that being said: until the House votes, this is *not* a done deal.

Senate Republicans used a so-called wraparound amendment to make a host of last-minute changes to the megabill to win holdouts' votes. Those changes include:

- **Delayed Supplemental Nutrition Assistance Program (SNAP) cuts for certain states.** In an effort to appease senators from Alaska, the bill will delay a provision shifting SNAP costs to states for the first time, but *only* for states with sufficiently high "payment error rates." This will likely [apply](#) to Alaska, DC, Florida, Georgia, Maryland, Massachusetts, New Jersey, New Mexico, New York, and Oregon. This will create a perverse incentive for states to pursue *more errors* to delay cuts.
- **Bandaid for rural hospitals.** The bill's Medicaid cuts are expected to be [devastating to rural hospitals](#), many of which may close if the bill becomes law. The bill now includes [\\$50 billion](#) in an effort to soften the blow for those hospitals.

**Below I'll summarize some of the most important things to know about the Republican megabill as it stands now, notable impacts on specific issues and communities, and—should the bill become law—key dates in the months and years ahead.** This summary is not exhaustive.

I know a lot of folks who read this have spent the last several days monitoring *many* hours of Senate debate and amendments, so I'll start with a hat tip to all those working tirelessly to analyze this gargantuan legislation and inform the public about its impacts. I see you.

## **WHAT TO EXPECT UNDER REPUBLICAN MEGABILL**

**This bill will give more to the richest Americans and corporations, while taking from those who have the least.** Yale's Budget Lab [found](#) that the bill will result in the bottom 40% of American households *losing* income, while the top 0.1% *gain* an extra \$118,000. These giveaways to the ultra-wealthy, corporations, and [Big Oil](#) are coupled with billions of dollars for the [already-bloated](#) Pentagon budget and the Trump immigration agenda, which is [tearing](#) families and communities apart.

**All of this is paid for by taking health care and food assistance from millions: nearly [20 million](#) people are expected to lose their health care under this bill.** These coverage losses will [result](#) in higher out-of-pocket costs, more medical debt, and more evictions as families

struggle to keep up with the cost of health care. Folks who cannot cover those costs [will go without](#) needed prescriptions and forego appointments, like [prenatal care](#).

## WHAT TO EXPECT FOR HEALTH CARE

- **New work reporting requirements under Medicaid.** This new red tape *alone* would kick millions off their health insurance—[without](#) actually promoting employment. [Most](#) Medicaid enrollees already work, and most within the minority who do not are caring for family members, have a disability, or attend school. People who lose coverage due to work reporting requirements suffer long-term consequences: Arkansas [data](#) shows that half struggle to pay off medical debt and nearly two-thirds delay taking medications.
- **New paperwork requirements to “re-prove” Medicaid eligibility.** This added red tape results in people who *are* Medicaid-eligible [losing](#) insurance due to paperwork errors or processing delays.
- **Hurting states’ ability to fund Medicaid programs.** A new cap on Medicaid provider taxes could force states to slash Medicaid payment rates for health care providers—which, in turn, may force some providers to close. One study found [more than 300](#) rural hospitals could cut back on the care they offer or close entirely due to this bill.
- **Killing tax credits that lower families’ health care costs.** The bill lets tax credits that help families afford their insurance premiums expire, raising their costs. For example, older Americans will pay an extra [\\$1,200](#) annually, on average, for their current health care plans under this bill.
- **Enacting a backdoor abortion ban.** The bill [bars](#) Medicaid payments to Planned Parenthood, where 4-in-10 Medicaid recipients have received care, for one year. This would [risk](#) the closure of almost 200 health centers across 24 states, jeopardizing access to care for more than 1.1 million patients.

## WHAT TO EXPECT FOR FOOD ASSISTANCE

- **New work reporting requirements for people who receive food assistance through SNAP—including for older Americans and parents of children as young as [13-years-old](#).** Similar to Medicaid reporting requirements, this new red tape would have [little effect](#) on the number of people working, but *would* hurt working families, including children.
- **Forcing states to cut back on or end food assistance.** The bill [pushes](#) SNAP benefit costs onto states for the first time since the program’s creation during the Great Depression. This is expected to [force](#) states to cut back on the assistance hungry Americans can receive, narrow SNAP eligibility, or end their food aid programs entirely.
- **Preventing food assistance from keeping up with rising costs.** In 2021, at Congress’ [direction](#) under a law then-President Trump signed, the Biden administration [updated](#) the grocery budget the Agriculture Department uses to determine the monthly SNAP allotment for the first time in 15 years. The change [meant](#), on average, an extra \$12-\$16 per person per month for SNAP households. Republican members of Congress strongly [criticized](#) this increase, and this bill would forestall similar updates in the future.

## WHAT TO EXPECT FOR AMERICANS’ COSTS

- **New out-of-pocket costs under Medicaid.** This bill would let states [charge](#) low-income Americans up to \$35 per health care service. Research [shows](#) that people seek care

less when they're subject to out-of-pocket costs, and that such costs correlate with worse patient health.

- **Making energy bills more expensive.** The bill [ends or restricts](#) several tax credits for clean energy, electric cars, and home efficiency improvements, raising Americans' energy costs.
- **Cutting funding for the Consumer Financial Protection Bureau (CFPB).** This watchdog agency has [returned](#) \$20 billion to defrauded Americans and investigated consumer complaints against companies. Without adequate resources, CFPB cannot recoup Americans' costs when companies rip them off.
- **Raising student borrowers' costs.** By limiting options for students to repay their loans, this bill could force the average borrower to pay [thousands of dollars more](#) each year.

## WHAT TO EXPECT FOR CHILDREN & YOUNG ADULTS

- **Kicking about [2.6 million](#) U.S. citizen kids off the child tax credit.** The bill would deny the child tax credit—an essential tool for [combatting](#) child poverty—to U.S. citizen kids whose parents do not have Social Security Numbers. In addition, *children* who do not have Social Security Numbers would continue to be excluded from the credit.
- **Cutting off access to food assistance and school meals.** SNAP cuts in the bill are expected to impact [16 million](#) kids. Kids who lose even some of their SNAP benefits become [more likely](#) to skip medical care as their families try to make ends meet. Many could also lose access to [school meals](#).

## WHAT TO EXPECT FOR IMMIGRANT FAMILIES

- **Cutting off immigrants' access to basic needs.** The bill excludes refugees, asylees, human trafficking and domestic violence victims, and other non-exempt immigrants from Medicaid, Medicare, the Children's Health Insurance Program (CHIP), and SNAP.
- **Handing ICE billions to imprison immigrants and take parents from their children.** This bill includes \$45 billion to construct immigrant jails—a [365% increase](#) to ICE's detention budget, rendering ICE's detention budget 50% *larger* than that of the U.S. federal prison system.
- **Taxing remittances.** The bill slaps a 3.5% tax on money that immigrants in the U.S. send abroad. A remittance tax could [worsen](#) economic insecurity in those countries and prompt more migration to the U.S. People with Social Security Numbers may claim credits to offset the remittance tax.

## WHEN POLICIES TAKE EFFECT

The tables below highlight important dates to know as policies from the Republican megabill take effect, should this bill become law. These lists are not exhaustive.

**These tables also highlight timing gimmicks within the bill to shield its GOP backers from accountability and limit benefits for ordinary Americans.** Major cuts take effect *after* the 2026 midterms, delaying their full impact until *after* lawmakers face re-election. Meanwhile, tax breaks for the wealthy last longer—such as a permanent estate tax exemption—while provisions like the tipped income deduction expire as the Trump administration ends.

## HEALTH CARE — KEY DATES

WHAT IS HAPPENING?	WHEN IS IT HAPPENING?
Ending advanced premium tax credits	December 31, 2025
Imposing work reporting requirements on people with Medicaid coverage, with narrow exceptions	January 1, 2027 ( <i>unless state seeks waiver to impose requirements sooner</i> )
Capping provider taxes that states use to finance their Medicaid programs gradually for states that expanded Medicaid, eventually reaching a 3.5% cap	October 1, 2027 (cap begins lowering) through October 1, 2031 (cap hits 3.5%)
Imposing new out-of-pocket costs of up to \$35 per service for adults with Medicaid coverage if their incomes are between 100-138% of the federal poverty level, with narrow exceptions	October 1, 2028

## FOOD ASSISTANCE — KEY DATES

WHAT IS HAPPENING?	WHEN IS IT HAPPENING?
Imposing work reporting requirements on additional people enrolled in SNAP, including on older adults up to 65 and on parents of children as young as 13	Upon enactment
Forcing states to take on up to 15% of the cost of SNAP benefits, a tremendous new burden that may force states to cut households off food assistance or end SNAP programs entirely	October 1, 2027 ( <i>with a two-year delay for states with high “payment error rates”</i> )

**ENDING CLEAN ENERGY INCENTIVES — KEY DATES**

WHAT IS HAPPENING?	WHEN IS IT HAPPENING?
Prohibiting receipt of Investment and Production Tax Credits if recipient purchases components from "foreign entity of concern," such as businesses incorporated in China (otherwise known as "material assistance" restrictions)	December 31, 2025 <i>(Projects must begin construction by then to avoid the material assistance restrictions)</i>
Eliminating tax credit for purchase of new electric and hybrid cars	September 30, 2025
Eliminating tax credit for used electric and hybrid cars (tax credit 25E)	September 30, 2025
Eliminating tax credit for energy-efficient home improvements (e.g., energy-efficient windows) (tax credit 25C)	December 31, 2025 <i>(Projects must be placed into service by then to claim this credit)</i>
Eliminating tax credit for residential clean energy projects (e.g., solar panel installation) (tax credit 25D)	December 31, 2025 <i>(Projects must be placed into service by then to claim this credit)</i>

**TAX CHANGES — KEY DATES**

WHAT IS HAPPENING?	WHEN IS IT HAPPENING?
Expanding the estate tax exemption to \$15 million, from \$10 million	Permanently, beginning in tax year 2026
Creating new \$25,000 tax deduction for tipped income for individuals, which phases out for income above \$150,000	Tax years 2025-2028
Creating a new \$12,500 tax deduction for overtime compensation for individuals, which phases out for income above \$150,000	Tax years 2025-2028
Creating a new \$6,000 tax deduction for individuals 65 and older, which phases out for individuals whose income exceeds \$75,000	Tax years 2025-2028
Increasing cap on SALT deductions to \$40,000 for households making under \$500,000 in 2025, and to \$40,400 for households making under \$505,000 in 2026. Thereafter, the cap increases by 1% annually through 2029, when it permanently reverts to \$10,000. The cap phases down for households making more than the aforementioned limits until it hits \$10,000.	Through 2029