

## *House Ways and Means Committee Completes Reconciliation Markup*

*BROWNSTEIN CLIENT ALERT, MAY 16, 2025*

On Tuesday afternoon, May 13, the Ways and Means Committee ("Committee") started its markup of the tax title for the FY2025 budget reconciliation bill. The Committee favorably reported the bill on Wednesday morning, May 14, by a party-line vote of 26-19. During the markup, 38 Democratic-supported amendments were offered, but none were adopted.

The Committee's tax title goes next to the House Budget Committee, which is responsible for consolidating the legislative packages reported by the other House committees with instructions under the budget resolution. The Budget Committee is expected to hold a markup later this week to approve the consolidated reconciliation bill, with no amendments permitted. The final package will then go before the House Rules Committee and is expected to come before the House for final passage next week.

### **MEMBER OPENING STATEMENTS**

Chairman Jason Smith (R-MO) said that passing "one, big beautiful bill" is key to supporting farmers, families and small businesses, building off the success of the Tax Cuts and Jobs Act (TCJA, Pub. L. 115-97). Chairman Smith explained that TCJA increased real household income by \$5,000 and created 5 million jobs. He warned that, if TCJA expires, Americans will face a 22% tax increase, causing Main Street businesses to close and harming the working class. Chairman Smith noted that the bill would make several provisions of the TCJA permanent and provide businesses certainty. He added that the bill delivers on President Donald Trump's promises to the working class through no taxes on tips, overtime and Social Security while also ending special treatment for the wealthy and well-connected. Chairman Smith urged his colleagues to support the bill to enhance long-run GDP and provide the average family with \$4,500 more income. Ranking Member Richard Neal (D-MA) argued that the TCJA failed to grow the economy, increase wages and support average Americans. He suggested the bill would follow the same playbook and manipulate the tax system to support the wealthy. Ranking Member Richard Neal (D-MA) said roughly 70% of the benefits in the bill would support the top 20% of earners while working-class Americans would lose access to health care and nutrition assistance. He emphasized that the bill would also increase the national deficit as Republican lawmakers ignore the current law baseline.

Rep. Lloyd Doggett (D-TX) objected to the consideration of the Amendment in the Nature of a Substitute (AINS), citing Rule 16, Clause 7 of the Rules of the House of Representatives. He said the AINS is not germane, as it substantially changes the subject matter and purpose of the bill. Rep. Doggett argued that the chairman failed to provide members proper notice to understand the AINS and prepare amendments. He requested a roll call vote on his objection, emphasizing that Chairman Smith must prove germaneness. Chairman Smith argued that the bill is germane. The roll call vote to object to the consideration of the AINS failed by a party-line vote of 25-19.

## TECHNICAL QUESTIONS

Members of the Committee had the opportunity to ask technical questions concerning the Amendment in the Nature of a Substitute. Testifying before the committee were Thomas Barthold, chief of staff, Joint Committee on Taxation (JCT); Josh Snead, chief counsel and majority staff director, House Ways and Means Subcommittee on Trade; Patrick Dumas, majority staff director, House Ways and Means Subcommittee on Health; and Shaun Freiman, chief counsel, House Ways and Means Subcommittee on Social Security. Lawmakers offered the following questions: /

- **Question:** Rep. Mike Thompson (D-CA) asked whether it is correct that JCT's cost estimation of \$3.8 trillion did not include the interest that the government will have to pay to finance the additional debt.
  - **Answer:** Barthold said that is correct. He explained that JCT did not report on changes to interest to account for an increase in debt.
- **Question:** Rep. Steven Horsford (D-NV) asked whether the section eliminating taxes on tips includes a provision to prevent a related party, such as a family member, from classifying a gift payment as a tip.
  - **Answer:** Barthold explained that the bill includes several guidelines on tip income, including that tips must be reported by an employer on a W-2 statement and only industries where tipping has been customary, like the hospitality industry, will qualify for the exemption.
- **Question:** Rep. Doggett asked whether the energy investment tax credit (ITC) and production tax credit (PTC) would cover a project "placed in service" in 2025 and under continuous construction until 2032.
  - **Answer:** Barthold said yes, citing the Begin Construction Rule.
- **Question:** Rep. Linda Sanchez (D-CA) asked if provisions in Subtitle C, Part 2, "Removing Taxpayer Benefits for Illegal Immigrants," makes changes to whether lawfully present individuals can access the tax credits targeted by the credit.
  - **Answer:** Barthold said some of the provisions in this section may prevent lawfully present individuals from being able to claim certain tax credits.
- **Question:** Rep. Sanchez asked whether the provisions in Subtitle C, Part 2 make changes to whether immigrants living in the United States illegally can access tax credits.
  - **Answer:** Barthold said that undocumented immigrants are already ineligible for tax credits.
- **Question:** Rep. Danny Davis (D-IL) asked whether the bill makes any changes to the Earned Income Tax Credit (EITC) for taxpayers without dependents.
  - **Answer:** Barthold said it does not, noting that section 112206 establishes a certification program for taxpayers to certify their child's status as a dependent.
- **Question:** Rep. Davis asked if this bill increases the child and dependent care credit.
  - **Answer:** Barthold said it does not.
- **Question:** Rep. Terri Sewell (D-AL) asked what benefits wealthy donors will receive due to Section 25F and whether it is possible for taxpayers to receive more than a \$1 benefit for a \$1 donation.
  - **Answer:** Barthold said the provision creates a nonrefundable income tax credit that is equal to the aggregate amount of the qualified contributions made by a taxpayer. He explained the benefit-to-donation ratio is 1:1, but the credit allowed cannot exceed 10% of the taxpayer's aggregate gross income.
- **Question:** Rep. Sewell asked whether a donor could receive a credit from both the federal and state government for the same donation under Section 25F.
  - **Answer:** Barthold said the credit would be reduced on a state tax return.

- **Question:** Rep. Sewell asked whether a donor could be eligible for the credit under Section 25F as well as the state and local tax (SALT) deduction.
  - **Answer:** Barthold said a taxpayer could be eligible for both the 25F credit and the SALT deduction.
- **Question:** Rep. Don Beyer (D-VA) asked whether the bill requires that an organization be convicted in a court of law to determine if it supported a terrorist organization before losing its tax-exempt status.
  - **Answer:** Barthold said the bill does not require a judicial determination before designating a group as a terrorist organization.
- **Question:** Rep. Beyer asked whether it is possible that an organization could have no opportunity to review the alleged evidence that it supported a terrorist organization in order to meaningfully respond to the allegations.
  - **Answer:** Barthold said the bill allows evidence to be withheld to protect national security, but an organization must be provided notice of such an action.
- **Question:** Rep. Tom Suozzi (D-NY) asked whether the bill fully restores the SALT deduction.
  - **Answer:** Barthold said it does not.
- **Question:** Rep. Suozzi asked whether the bill allows for payroll taxes on tip income and overtime income.
  - **Answer:** Barthold said it does.
- **Question:** Rep. Suozzi asked whether the bill removes taxes on all Social Security benefits.
  - **Answer:** Barthold said it does not.
- **Question:** Rep. Adrian Smith (R-NE) asked whether the bill's de minimis provision could conflict with the Trump administration's actions on de minimis trade policy.
  - **Answer:** Snead said there does not seem to be sufficient risk of a conflict, but it is important in context that the Trump administration revoked China's de minimis eligibility on May 2, 2025. He explained the bill's provision would end de minimis privilege for all nations, suggesting there is not an immediate conflict. Snead added an action directly targeting China may pose a risk of conflict.
- **Question:** Rep. Adrian Smith asked what a traveler returning to the United States would have to pay to import souvenirs.
  - **Answer:** Snead said the bill would not impact the \$200 limit that a traveler would pay to import souvenirs.

## ADOPTED AMENDMENTS

The committee only adopted the AINS and the accompanying motions to adopt the Committee Print as amended and to transmit the Committee's recommendations and accompanying material to the House Budget Committee.

- **Amendment in the Nature of a Substitute**  
*Sponsor:* Chairman Jason Smith (R-MO)  
**APPROVED:** Voice Vote
  - **Motion to Adopt the Committee Print as Amended**  
**APPROVED:** 26-19
  - **Motion to Transmit the Committee's recommendations to the House Budget Committee**  
**APPROVED:** 26-19

## FAILED AMENDMENTS

The following Democratic amendments failed by recorded votes, with the exception of three that were withdrawn.

- **Amendment – Strikes Section 113001 allowing for a \$4 trillion debt limit increase.**  
*Sponsor:* Rep. Jimmy Panetta (D-CA)  
*Discussion:* Rep. Panetta said that the bill would remove the provision allowing for a \$4 trillion debt limit increase. He said that policies that deepen the debt and deficit bill do not belong in a partisan bill or through the reconciliation process. He said that debt limit increases should be considered and advanced as part of a bipartisan agreement. Rep. Darin LaHood (R-IL) said that Treasury Secretary Scott Bessent has called for an increase in the debt limit in order for the United States to be able to preserve its financial stability and global leadership, and Democratic congressional leadership has also called for increasing the debt limit. Ranking Member Richard Neal (D-MA) said it was irresponsible to include a provision raising the national debt in order to finance a bill. Rep. Brad Schneider (D-IL) expressed support for the amendment and urged actions to reduce the national debt.  
**FAILED:** 19-26
- **Amendment – Prevents the bill from going into effect unless the Congressional Budget Office (CBO) certifies that it will not increase the federal deficit in its 10-year projection.**  
*Sponsor:* Rep. Brendan Boyle (D-PA)  
*Discussion:* Rep. Boyle said that under the terms of the amendment, no provision or act of the bill could take effect unless the Congressional Budget Office certifies beforehand that it would not increase the federal deficit over the next 10 years based strictly on the “current law” baseline. He said that the alternative approach, the “current policy” baseline, is fiscally irresponsible. Rep. Ron Estes (R-KS) said that the bill, in its current form, is \$500 billion less than the reconciliation instructions were, showing that the bill is fiscally responsible. Rep. Gwen Moore (R-WI) asked for a further explanation on the use of the current policy baseline. Rep. David Schweikert (R-AZ) said that the Senate’s bill currently advances the current policy baseline, while this bill is based on current law. Rep. Boyle said that while the current iteration of the bill is based on the current law baseline, he fears that the Senate’s approach may be reflected in the final bill.  
**FAILED:** 19-26
- **Amendment – Extends the Advanced Premium Tax Credit (APTC) permanently.**  
*Sponsor:* Rep. Steven Horsford (D-NV)  
*Discussion:* Rep. Horsford said that his amendment would permanently extend the Advanced Premium Tax Credit (APTC). He said that this credit has helped millions of Americans access health care coverage, but it has not been extended in the bill. Rep. Greg Murphy (R-NC) criticized the Affordable Care Act (ACA) for being ineffective and said that extending this credit would cause higher premiums for families. Rep. Linda Sanchez (D-CA) said that failing to renew the APTC would cause approximately 19.3 million enrollees to face a tax increase. Rep. John Larson (D-CT) said that a constituent called him to inform him of the benefits of the APTC to his family. Rep. Jodey Arrington (R-TX) asked whether the amendment covers individuals enrolled in the ACA who are living in the United States illegally. Rep. Horsford said that the executive orders President Trump has signed have repealed most of President Biden’s executive orders and asked why the bill cannot provide

relief for Marketplace participants. Rep. Arrington said that the health care program provided under the ACA has “fundamentally changed” under the expansion under the Inflation Reduction Act and questioned why ACA benefits should be provided to undocumented immigrants. Rep. Brad Schneider (D-IL) said that undocumented immigrants do not qualify to enroll in the ACA. Rep. Terri Sewell (D-AL) said that the APTC has benefited Alabama hospitals and health care centers. Rep. Suzan DelBene (D-WA) said that the expiration of the APTC would cause millions of Americans to lose their health care coverage. Rep. Schneider said that the amendment would only cover U.S. citizens, and that many people rely on the APTC to afford their health insurance. Rep. Gwen Moore said that Republicans have repeatedly attempted to remove protections in the ACA. Rep. Don Beyer (D-VA) said that the underlying bill raises the cost of prescription drugs. Rep. Jimmy Gomez (D-CA) said that gutting health care coverage will result in increased hospital costs. Rep. Mike Thompson (R-OK) said that this bill and accompanying reconciliation bills in other committees will severely weaken the U.S. health care system.

**FAILED:** 19-25

- **Amendment – Increases the state and local tax (SALT) threshold.**

*Sponsor:* Rep. Tom Suozzi (D-NY)

Discussion: Rep. Suozzi said that the bill’s state and local tax (SALT) deduction limitation is too low and that his amendment would increase the SALT cap to \$80,000 per family. He said that it would be paid for by increasing the highest tax bracket from 37% to 39.6%. Rep. Ron Estes (R-KS) said that the SALT provisions in the TCJA must be evaluated in total, as 94% of Americans had a lower tax bill due to TCJA. Rep. Danny Davis (D-IL) said that he supports the amendment and claimed that the \$10,000 SALT cap was meant to hurt blue states, adding that TCJA raised taxes for \$2 million Illinois citizens. Rep. Judy Chu (D-CA) voiced her support for the amendment and said that the \$10,000 SALT cap was put in place to pay for tax cuts for the wealthy. Rep. Beth Van Duyne (R-TX) said that Texas is now a donor state and that states like New York do not use tax dollars responsibly. Rep. Brad Schneider (D-IL) said that he supports the amendment and that individuals should not be double taxed.

**FAILED:** 17-25

- **Amendment – Amends Part I of subtitle C by striking section 112001 through 112016.**

*Sponsor:* Rep. Mike Thompson (D-CA)

Discussion: Rep. Thompson praised the Inflation Reduction Act (IRA) clean energy provisions, stating that it invested over \$400 billion in clean energy investments, including in Republican states. He said that the amendment would strike the provisions in the bill that eliminate the IRA clean energy tax credits. Ranking Member Richard Neal (D-MA) said that the IRA has lowered green energy costs and that the Infrastructure Investment and Jobs Act (IIJA) was a bipartisan success. Rep. Jimmy Panetta (D-CA) said that 75% of IRA investments went to areas with wages below the national average. Rep. Steven Horsford (D-NV) raised concern about the potential loss of \$300 billion in private investment created by the IRA. Rep. Stacey Plaskett (D-VI) said that removing the IRA tax credits would stifle American competitiveness and the ability for companies to create new jobs. Rep. Rudy Yakym (R-IN) criticized the IRA for increasing inflation and allowing adversaries to invest in the United States. Rep. Lloyd Doggett (D-TX) said that the IRA has worked and that energy prices in Texas have declined due to an expansion of renewable energy. Rep. Don Beyer (D-VA) said that financing in the energy sector would be significantly disrupted by ending the

IRA tax credits. Rep. Gwen Moore (D-WI) highlighted Republican support for the IRA tax credits.

**FAILED:** 19-25

- **Amendment – Terminates the 25% fentanyl tariffs on Canada and Mexico; 10% universal baseline tariff and the country-specific reciprocal tariffs that were imposed under the International Emergency Economic Powers Act (IEEPA) in executive orders (EO) 14257, 14193 and 14194.**

*Sponsor:* Rep. Linda Sanchez (D-CA)

Discussion: Rep. Sanchez said that the amendment would terminate the International Emergency Economic Powers Act (IEEPA) tariffs imposed by executive orders 14257, 14193 and 14194. She raised concern about the recent tariffs and the associated uncertainty. She added that the amendment would eliminate the baseline 10% tariffs and the 25% tariffs on Canada and Mexico. Rep. Stacey Plaskett (D-VI) said that Congress has the power to impose tariffs and that the amendment would provide Congress with the authority. Rep. Dwight Evans (D-PA) and Reps. Jimmy Gomez (D-CA) and Steven Horsford (D-NV) voiced support for the amendment.

**FAILED:** 19-26

- **Amendment – Increases the standard deduction through Jan. 1, 2029.**

*Sponsor:* Rep. Brad Schneider (D-IL)

Discussion: Rep. Schneider explained recent suspensions in the Trump administration's tariff policies and criticized the administration for maintaining the 10% blanket tariff, along with the 30% tariff on China. He said that his amendment would increase the standard deduction by \$5,000 for families and \$2,500 for single filers in order to compensate consumers for the cost of tariffs. Rep. Max Miller (R-OH) detailed that the committee print doubles the standard deduction. Rep. Linda Sanchez (D-CA) and Rep. Stacey Plaskett (D-VI) voiced support for the amendment. Rep. Steven Horsford (D-NV) said that targeted tariffs to protect essential domestic industries are reasonable, but the administration's tariffs only harm American consumers.

**FAILED:** 18-26

- **Amendment – Increases the Child Tax Credit and makes it fully refundable.**

*Sponsor:* Rep. Suzan DelBene (D-WA)

Discussion: Rep. DelBene said the Child Tax Credit (CTC) as written excludes one in three children who come from families that do not make enough money to access the full credit. She emphasized that a family where both parents work full-time and make minimum wage will be unable to receive the credit. Rep. DelBene argued it is critical to make the credit fully refundable to support working families who are struggling with rising costs. Rep. Blake Moore (R-UT) emphasized that Republicans have continuously increased the CTC since 2017 to support families. He explained that the TCJA doubled the CTC, and this bill would make the increase permanent while accounting for inflation. He criticized Democrats for only increasing the credit for one year in the American Rescue Plan (ARPA). Ranking Member Richard Neal (D-MA) said, if this bill did not offer extensive tax cuts for the wealthy, then there would be enough money to increase the credit and make it fully refundable. Rep. Suzan DelBene (D-WA) said Democrats have worked to make the expanded credit permanent, but were unable to do so due to Republican opposition. She reiterated that refundability is key to cutting childhood poverty. Rep. Danny Davis (D-IL) expressed support for restoring the CTC as outlined in ARPA. He emphasized that the credit as outlined in this bill would not provide support for low-income children. Rep. Terri Sewell (D-AL) reiterated



that refundability is key to cutting childhood poverty and advocated for expanding the credit. Rep. Rudy Yakym (R-IN) said the former Democratic trifecta had the opportunity to expand the credit and make it fully refundable but chose not to do so. He said that the underlying bill is pro-family. Ranking Member Neal said Democrats were able to recognize the country could not afford to make permanent the child tax credit while holding a trifecta, arguing Republicans have failed to show the same fiscal restraint as they provide taxes for the wealthy. Rep. John Larson (D-CN) added that, outside of the child tax credit, Social Security is the biggest antipoverty program for children, which Republicans have failed to strengthen in this bill. Rep. DelBene criticized Republicans for not making the CTC permanent in the TCJA, instead making permanent corporate tax cuts. Rep. Judy Chu (D-CA) said this bill prioritizes the needs of the wealthy over working families. She emphasized that Democrats increased taxes on the wealthy when they had control of Congress while cutting taxes for the working class. Rep. Steven Horsford (D-NV) expressed concern about the bill's exclusion of low-income families from being eligible for the CTC. He emphasized this is not a partisan issue, suggesting it is immoral to exclude families from receiving the credit. Rep. Gwen Moore (D-WI) said it is wrong to not support Americans due to their income. She argued a fully refundable child tax credit is an investment rather than a cost. Rep. Sanchez said it is a "crime" that one in five children go to bed hungry in the United States, and called on Congress to support the most vulnerable families. Rep. Gomez said lawmakers are consistently talking about enacting efficient programs, and the refundable child tax credit was efficient. He emphasized that Americans are struggling as prices rise, and they need an expanded child tax credit to make ends meet. Rep. Gomez noted that the provisions in this bill that support the working class are temporary, while the provisions that support the wealthy are permanent. Rep. Mike Kelly (R-PA) said there is an abortion almost every second in the United States, which highlights that Democrats do not care about supporting children. Rep. Gwen Moore (D-WI) said it is not pro-life to allow children's health care and nutrition programs to be taken away. She said Congress must guarantee children are able to survive once they enter the world. Rep. Gomez said it is important to care for Americans during life, not just at the beginning and the end. Rep. Stacey Plaskett (D-VI) said providing tax cuts to the wealthy does not trickle down to support low-income families. She added that it is fiscally responsible to support low-income individuals.

**FAILED:** 19-25

- **Amendment – Expands the Advanced Premium Tax Credit (APTC) to include individuals whose household income does not exceed 138% of the poverty line and any individual that loses Medicaid coverage under this bill.**

*Sponsor:* Rep. Terri Sewell (D-AL)

*Discussion:* Rep. Sewell said the ACA's Advanced Premium Tax Credit has made insurance coverage affordable to millions of Americans. She advocated for extending the credit to support low-income individuals who are below 138% of the poverty line. Rep. Sewell explained the coverage gaps means these individuals can neither receive the credit nor be on Medicaid. She emphasized that Americans will accrue more medical debt if they are unable to receive this credit. Rep. Gwen Moore (D-WI) said the ACA is critical to low-income individuals and small businesses that are unable to provide insurance to their employees. She emphasized people without health insurance are not "lazy," rather they work hard and are still unable to afford insurance. Rep. Linda Sanchez (D-CA) emphasized that 15 million Americans, including lawful residents, could lose health care coverage under the Republican reconciliation package. She noted that cuts to Medicaid will impact the privately insured because delays will increase as individuals without health care access wait until the last minute to receive care. Rep. Steven Horsford (D-NV) said Democrats are seeking to expand

health care access while Republicans seek to cut benefits. He emphasized that many states refuse to provide health care coverage under the expansion of ACA. Rep. Horsford said this amendment would ensure states cannot deny Americans health care coverage. Rep. Claudia Tenney (R-NY) said there are millions of people fraudulently enrolled in Medicaid, costing taxpayers \$26 billion. She said that extending the premium tax credit would cost \$400 billion and permanently subsidized fraudulent enrollment. Rep. Judy Chu (D-CA) said this bill would include the largest cut to Medicaid in U.S. history despite President Trump's commitment to not cut benefits. Rep. Gwen Moore said it is false that there is extensive waste, fraud and abuse in Medicaid. She argued it is illogical to provide \$5 trillion worth of tax cuts to the wealthy while failing to extend the premium tax credit for \$400 billion. Rep. Gwen Moore emphasized that it will cost the government more in the long run if Congress fails to provide Americans access to health care. Rep. Stacey Plaskett (D-VI) said territories were excluded from the ACA's advanced premium tax credit, so these communities serve as a cautionary tale of the extensive harm that occurs when individuals cannot access health care.

**FAILED:** 19-25

- **Amendment – Preserves the Advanced Premium Tax Credit (APTC) as enacted under the Affordable Care Act (ACA); makes individuals that have lost Medicaid benefits as a result of this bill and individuals that have been unable to access Medicaid benefits due to states' decision to not accept federal funds eligible for Medicaid marketplace coverage.**

*Sponsor:* Rep. Lloyd Doggett (D-TX)

*Discussion:* Rep. Doggett said the bill will offer tax cuts to the wealthy while stripping the working class of their health care coverage and nutrition assistance. He emphasized children will be harmed due to benefit cuts. Rep. Terri Sewell (D-AL) said people spend money on what they value, arguing Republicans value supporting the wealthy. She said health care is a basic human right and should not be a partisan issue. Rep. Doggett added that it is false that there is extensive fraud in Medicaid. He argued Republicans should be targeting tax fraud and other forms of waste that support the wealthy. Rep. Greg Murphy (R-NC) emphasized there is evidence of extensive fraud in Medicaid, which he has seen firsthand as a doctor. He criticized the Biden administration for allowing millions of people to enter the country under Temporary Protected Status who were eligible for Medicaid. Rep. Doggett said it is fiscally irresponsible to add \$5 trillion to the national debt. He emphasized that illegal immigrants are not eligible for Medicaid or Medicare. Rep. Judy Chu (D-CA) criticized Republicans for making it more difficult for people to receive health care, noting agriculture, child care and hospitality workers will suffer the most harm. Rep. Gabe Evans (R-CO) expressed support for the amendment.

**FAILED:** 19-26

- **Amendment – Strikes Section 112030, which lowers taxes on gun silencers.**

*Sponsor:* Rep. Mike Thompson (D-CA)

*Discussion:* Rep. Thompson said it must be a drafting error that this bill would lower taxes on gun silencers. He explained that silencers disperse the sound of a gunshot, making it difficult for first responders to know where the shot is coming from. Rep. Thompson criticized Republicans for spending \$1.4 billion to make it more dangerous for cops to do their jobs while cutting other crucial programs. Rep. David Kustoff (R-TN) said this provision ends an unconstitutional tax that undermines Americans' right to bear arms. He added that Americans should not have to register their firearms or pay taxes to exercise their constitutional rights as required under the National Firearms Act (NFA). Rep. Suozzi said the



\$200 fee on silencers has remained unchanged since its enactment in 1934 and has not discouraged criminals from buying such items. Rep. Evans said the gun violence crisis necessitates the passage of this amendment. Rep. Gwen Moore (D-WI) explained that a woman is murdered by an intimate partner with a gun every 12 hours in the United States, arguing that is a greater concern than criminals losing their hearing because they do not have a silencer. Rep. Steven Horsford (D-NV) said Americans pay \$7.7 million every day in health care costs related to gun violence. He argued it is illogical to strip Americans of their health care benefits while making silencers cheaper. Rep. Thompson criticized Rep. Kustoff's argument that gun users need silencers for hearing protection. He added that the \$200 fee is lowered to \$25, asking why the \$25 is not considered unconstitutional. Rep. Plaskett criticized Republican lawmakers for including the provision to lower taxes on gun silencers.  
**FAILED:** 19-25

- **Amendment – Increases Social Security benefits to a minimum of \$2,000 and eliminates taxes on benefits.**

*Sponsor:* Rep. John Larson (D-CT)

Discussion: Rep. Larson explained that his amendment would lift the cap on Social Security contributions on income above \$400,000. Rep. Lloyd Smucker (R-PA) said that the amendment makes changes to Social Security, which is not germane in the budget reconciliation process. He added that a \$2,000 across-the-board Social Security payout increase benefits wealthy individuals. Ranking Member Richard Neal (D-MA) raised concern about the closing of regional Social Security Administration offices. Rep. Larson stated that Social Security administrative costs are below 1%, lower than private insurance. Rep. Jodey Arrington (R-TX) questioned why Democrats did not introduce the provision in the IRA.

**FAILED:** 19-26

- **Amendment – Maintains income tax rates for individuals making \$400,000 or less and increases the top rate for individuals making more than \$400,000 to 39.6%.**

*Sponsor:* Rep. Lloyd Doggett (D-TX)

Discussion: Rep. Doggett said that the amendment would prevent tax cuts for individuals earning above \$400,000 per year. He highlighted Republican support for increasing taxes on the wealthy and urged the committee to support his amendment. Rep. Aaron Bean (R-FL) highlighted provisions of the committee print that includes President Trump's campaign tax promises. Rep. Danny Davis (D-IL) voiced support for the amendment.

**FAILED:** 19-26

- **Amendment – Establishes an additional tax bracket for individuals making \$10 million or more annually to be subject to a rate of 39.6%.**

*Sponsor:* Rep. Judy Chu (D-CA)

Discussion: Rep. Chu said that the amendment would prevent tax cuts for individuals earning above \$10 million per year. Rep. Nathaniel Moran (R-TX) said that the committee print lowers taxes across the board and that the amendment would hurt the 199A provision. He commended the overtime tax exemption provision in the bill and its support for the working class. Rep. Brendan Boyle (D-PA) highlighted President Trump's support for an increase in the top tax bracket rate.

**FAILED:** 19-26

- **Amendment – Establishes an additional tax bracket for individuals making \$100 million or more annually to be subject to a rate of 39.6%.**

*Sponsor:* Rep. Don Beyer (D-VA)

Discussion: Rep. Beyer said that the amendment would prevent tax cuts for individuals earning above \$100 million per year. Rep. Adrian Smith (R-NE) said that the committee print is fair and provides tax relief to working-class families. Ranking Member Richard Neal (D-MA) said that the bill will likely be altered after the markup concludes and that the minority is attempting to highlight provisions in the proposal. Rep. Linda Sanchez (D-CA) said the TCJA disproportionately benefited wealthy taxpayers while adding to the federal deficit.

**FAILED:** 19-26

- **Amendment – Establishes an additional tax bracket for individuals making \$1 billion or more annually to be subject to a rate of 39.6%.**

*Sponsor:* Rep. Jimmy Gomez (D-CA)

Discussion: Rep. Gomez said that the amendment would subject individuals earning over \$1 billion per year to a 39.6% tax rate. Rep. Jodey Arrington (R-TX) questioned why Democrats did not introduce the provision in the IRA. Ranking Member Richard Neal (D-MA) said that the IRA focused on clean energy investments. Rep. Arrington said that high levels of spending are the reason for the growing debt, not tax cuts. Rep. Steven Horsford (D-NV) said that the IRS estimates that \$600 billion a year in tax revenue is not collected. He added that the measure includes few impactful provisions that address the housing crisis. Rep. Kevin Hern (R-OK) highlighted past bipartisan support for work requirements on social programs. Rep. John Larson (D-CT) raised concern about the potential privatization of Social Security. Rep. Darrin LaHood (R-IL) said that the Affordable Tax Credit Act is included in the bill, which advanced out of the House in the 118th Congress. Rep. Horsford criticized corporate single-family home speculators and criticized the majority for not including a proposal to address housing affordability. Rep. Brendan Boyle (D-PA) said that the amendment only impacts 3,000 Americans who are all billionaires. Rep. Horsford said that the only housing provision relates to tax-exempt bond funding and criticized Republicans on failing to protect renters from corporate landlords. Rep. LaHood said that there is a provision to expand the Low Income Housing Tax Credit (LIHTC) in the bill that has support from a bipartisan majority of the committee.

**FAILED:** 19-26

- **Amendment – Replaces the existing Section 199A Deduction with a small business deduction of \$25,000 on Qualified Business Income.**

*Sponsor:* Rep. Gwen Moore (D-WI)

Discussion: Rep. Gwen Moore explained that her amendment would replace the 199A deduction with a small business deduction of \$25,000 on qualified business income, phasing out for business owners with over \$200,000 in annual income for single filers and over \$400,000 in annual income for joint filers. She claimed that 84% of the businesses that claimed the credit had no employees. Rep. Judy Chu (D-CA) said that 199A is not targeted toward small businesses, and that many of them do not have the ability to claim the tax credit. Rep. Lloyd Smucker (R-PA) said that Section 199A supports small businesses and allows them to compete with C-corporations. Rep. Vern Buchanan (R-FL) voiced support for the Section 199A provision in the TCJA.

**FAILED:** 19-26

- **Amendment – Permanently restores the 2021 Child and Dependent Care Tax Credit.**

*Sponsor:* Rep. Danny Davis (D-IL)

Discussion: Rep. Davis said that the amendment would permanently restore the Child and Dependent Care Credit (CDCTC) expansion from ARPA that raised the maximum credit to \$4,000 for one child and to \$8,000 for two or more children. Rep. Blake Moore (R-UT) said that the committee majority wants to provide flexibility for families, and that an enhanced child tax credit would be more appropriate. He highlighted that the provision establishing Money Account for Growth and Advancement (MAGA) accounts will support families. Reps. Linda Sanchez (D-CA) and Judy Chu (D-CA) said that families need both the CDCTC and the CTC to help afford the cost of parenting. Rep. Suzan DelBene (D-WA) highlighted rising child care costs and voiced her support for the amendment. Rep. Gwen Moore (D-WI) said that the cost of child care contributes to declining birthrates in the United States, as families often cannot afford the costs. Rep. Jimmy Gomez (D-CA) explained that the amendment would make the CDCTC refundable, which further lowers child care expenses.

**FAILED:** 19-25

- **Amendment – Provides an increased rum cover over rate for the U.S. Virgin Islands and Puerto Rico.**

*Sponsor:* Rep. Stacey Plaskett (D-VI)

Discussion: Rep. Plaskett explained that the amendment would provide an increased rum cover over rate of \$13.25 retroactively and until 2032 for the U.S. Virgin Islands and Puerto Rico. Rep. Ron Estes (R-KS) said that he is working with Rep. Stacey Plaskett (D-VI) on this issue and that the committee could come to a bipartisan solution. Rep. Linda Sanchez (D-CA) noted that the amendment would provide economic certainty to the U.S. Virgin Islands and Puerto Rico. Rep. Nicole Malliotakis (R-NY) mentioned that the committee should ensure that the issue is solved by the end of the year.

*Withdrawn*

- **Amendment – Provides for efforts to prevent waste, fraud, and abuse of the Section 199A deduction.**

*Sponsor:* Rep. Dwight Evans (D-PA)

Discussion: Rep. Evans said that the amendment would require efforts to prevent waste, fraud, and abuse of the Section 199A deduction by increasing reporting requirements. Rep. Gwen Moore (D-WI) voiced support for the amendment to ensure that 199A recipients are following the requirements. Rep. Lloyd Smucker (R-PA) said that 199A allows businesses to reinvest more in their communities. Rep. Terri Sewell (D-AL) said that the requirements in the amendment would not be onerous for 199A recipients.

**FAILED:** 19-25

- **Amendment – Strike sections 112201, 112202, and 112203 relating to ACA enrollment.**

*Sponsor:* Rep. Judy Chu (D-CA)

Discussion: Rep. Chu said that the committee print removes automatic ACA reenrollment, requiring families to manually verify their income every year. She noted that other health programs do not require manual verification and that it would lead to reduced ACA usage. Rep. David Schweikert (R-AZ) criticized the amendment and claimed that it would incentivize fraud. Rep. Chu explained that program recipients would be punished for not correctly estimating their yearly wages.

**FAILED:** 19-25

- **Amendment – Renews Trade Adjustment Assistance and proposes eligibility for port workers and truck drivers.**

*Sponsor:* Rep. Linda Sanchez (D-CA)

Discussion: Rep. Sanchez said that her amendment would modernize the Trade Adjustment Assistance (TAA) program by streamlining eligibility criteria for farmers, workers and businesses. She also said that the amendment would allow workers displaced by the effects of President Trump's tariff policies, including port workers and truck drivers, to apply for TAA through 2031. She said that TAA has helped millions of trade-displaced workers obtain the skills, education, and resources necessary to be able to return to work. Rep. Adrian Smith (R-NE) said that TAA is a partisan program and is no longer necessary given the ability for employers to underwrite the costs of employee training. Rep. Judy Chu (D-CA) said that the underlying bill does not adequately protect workers from the negative effects that the Trump administration's tariff policies will cause. Rep. Steven Horsford (D-NV) said that over 190,000 workers have applied to receive TAA benefits, which are in jeopardy due to Republicans' refusal to reauthorize the program. Ranking Member Richard Neal (D-MA) expressed his support for the amendment, saying that the amendment will help mitigate dislocations in the workforce.

**FAILED:** 19-24

- **Amendment – Provides that the Section 45S tax credit is increased and enhanced for small businesses, businesses employing workers with earnings under \$100,000, and state paid leave plans.**

*Sponsor:* Rep. Jimmy Gomez (D-CA)

Discussion: Rep. Gomez said that the amendment would help working families by expanding the credit to ensure that every worker has access to paid leave. Rep. Randy Feenstra (R-IA) said that the bill already expands the credit and makes it permanent. Rep. Linda Sanchez (D-CA) said that the amendment would incentivize states to allow all of their residents to have comprehensive leave policies. Rep. Gwen Moore (D-WI) said families need support in order to stay in the workforce, including expanded workplace benefits like paid leave. Rep. Stacey Plaskett (D-VI) said that the United States is one of only six countries in the world that does not mandate paid leave policies for workers. Rep. Gomez said that paid leave allows workers to be prepared for unexpected life events.

**FAILED:** 19-25

- **Amendment – Establishes \$4,000 tax credit for domestic travel.**

*Sponsor:* Rep. Steven Horsford (D-NV)

Discussion: Rep. Horsford said that the Trump administration's international trade and immigration policies have significantly reduced U.S. tourism, necessitating the need for the amendment.

**FAILED:** 18-25

- **Amendment – Strikes Section 110109, provides that funding for public schools not be sent to private institutions.**

*Sponsor:* Rep. Lloyd Doggett (D-TX)

Discussion: Rep. Doggett said that the provision would strike section 110109 from the bill, which he says undermines the public school system in favor of providing vouchers to affluent families for their children to attend private institutions that do not have to conform to state education standards. Rep. Adrian Smith (R-NE) said that the provision empowers parents to be able to choose schools for their children that best fit their needs. Rep. Terri Sewell (D-AL) said that taxpayers should not pay to fund private school education, including schools that may condone racial segregation as has been the case in Alabama and other states in the Deep South. Rep. Rudy Yakym (R-IN) said that parent income should not

preclude the choice to attend a private school. Rep. Judy Chu (D-CA) said the underlying bill subsidizes private education using public school funds.

**FAILED:** 18-24

- **Amendment – Strike Section 112021, provides that university endowments should not be subject to an excise tax.**

*Sponsor:* Rep. Sewell said that endowments should not be taxed to finance tax cuts for the wealthy, and that cutting endowments would make college education more unaffordable. Rep. Judy Chu (D-CA) said that the provision would result in universities paying a higher tax than some corporations, and that universities rely on their endowments to fund research.

*Discussion:*

**FAILED:** 19-24

- **Amendment – Establishes a refundable tax credit of up to \$15,000 per taxable year for fertility treatment expenses.**

*Sponsor:* Rep. Suzan DelBene (D-WA)

*Discussion:* Rep. DelBene said that in vitro fertilization (IVF) and fertility treatments are unaffordable for many families who want or need to use them to start families, and that access to these treatments should be expanded.

**FAILED:** 19-24

- **Amendment – Provides that carried interest compensation is taxed as ordinary income.**

*Sponsor:* Rep. Don Beyer (D-VA)

*Discussion:* Rep. Beyer said that the carried interest provision is being exploited by hedge fund managers and private equity firms at the expense of working-class families. Rep. Rudy Yakym (R-IN) asked why Democrats did not eliminate the provision in the American Rescue Plan Act or the Inflation Reduction Act when they had a trifecta. Rep. Beyer responded that former Sen. Kyrsten Sinema, who eventually left the Democratic Party, would not have voted for a bill that eliminated the provision. Rep. Lloyd Doggett (D-TX) said that President Trump has previously promised to eliminate the carried interest provision but has broken his promise every time.

**FAILED:** 18-25

- **Amendment – Provides that all payments under the Medicare physician fee schedule are updated annually at a rate equal to that of the Medicare Economic Index (MEI).**

*Sponsor:* Rep. Jimmy Panetta (D-CA)

*Discussion:* Rep. Panetta said that the amendment would help ensure that doctors and providers can stay in practice and serve patients. Rep. Greg Murphy (R-NC) said that the amendment and the underlying issue it fixes is needed, but that it costs too much to be included in this package.

**FAILED:** 19-25

- **Amendment – Requires the Congressional Budget Office to certify this Act would decrease the Federal deficit and that savings are distributed equally among taxpayers making less than \$400,000 annually.**

*Sponsor:* Rep. Stackey Plaskett (D-VI)

Discussion: Rep. Plaskett said that the underlying bill is inequitable and exploits the federal deficit, necessitating the need for the amendment to ensure that the bill is fiscally responsible and distributes benefits by income level more evenly.

**FAILED:** 19-25

- **Amendment – Exempts the excise tax on endowments for graduate-only school programs.**

*Sponsor:* Rep. Gwen Moore (D-WI)

Discussion: Rep. Gwen Moore said that the United States has been at the forefront of innovations due to graduate-level research, and that it should not be stunted by the endowment tax.

*Withdrawn*

- **Amendment – Provides that qualified tips must come from: (1) an unrelated party; and (2) a person (s) that does not have an ownership stake in the business which employs them in the job for which such individual is receiving a tip.**

*Sponsor:* Rep. Steven Horsford (D-NV)

Discussion: Rep. Horsford said that the provision in the underlying bill eliminating taxes on tip income may have an ambiguity that allows a wealthy business owner to pass an inheritance to their child under the guise of a tip, and he said that this goes against the intent of the provision. Rep. Vern Buchanan (R-FL) said that he would work with Rep. Horsford on the issue.

*Withdrawn*

- **Amendment – Provides that the enhanced ACA tax credits are extended for children and pregnant women, including those losing Medicaid coverage.**

*Sponsor:* Rep. Jimmy Gomez (D-CA)

Discussion: Rep. Gomez said that, as a result of Republican health care policies, premiums will increase and millions of Americans will lose their health insurance.

**FAILED:** 19-24

- **Amendment – Creates an additional 1% tax on stock buybacks for corporations with over \$10 billion in assets to establish a fund for veterans housing program.**

*Sponsor:* Rep. Steven Horsford (D-NV)

Discussion: Rep. Horsford said that his amendment would create a fund for veteran housing, paid for by raising the excise tax on stock buybacks limited to firms with over \$10 billion in assets. He criticized stock buybacks and said that the underlying bill needs to do more to help veterans. Rep. Stacie Plaskett (D-VI) expressed her support for the amendment, saying that it would allow for programs to be set up to support veterans without using federal funds.

**FAILED:** 19-24

- **Amendment – Includes The American Homeownership Opportunity Act within the bill.**

*Sponsor:* Rep. Jimmy Gomez (D-CA)

Discussion: Rep. Gomez said that rising prices make it harder to afford housing, and that his amendment would help boost homeownership rates. Rep. Stacie Plaskett (D-VI) said that it is important for young earners to be able to afford homes.

**FAILED:** 19-25



- **Amendment – Expands the Work Opportunity Tax Credit to include veterans who were subject to reduction in force by the federal government after January 20, 2025.**

*Sponsor:* Rep. Steven Horsford (D-NV)

Discussion: Rep. Horsford said that veterans have been unjustly targeted by reductions in force in accordance with Department of Government Efficiency (DOGE) directives, and that these veterans should have the opportunity to receive the Work Opportunity Tax Credit.

Rep. Vern Buchanan (R-FL) said that the amendment is not germane as it concerns matters outside of the jurisdiction of the Committee. Chairman Smith ruled that the amendment is nongermane and Rep. Horsford appealed the ruling. Rep. Buchanan motioned to table the appeal.

**APPEAL TABLED:** 26-18

- **Amendment – Increases the startup tax deduction from \$5,000 to \$50,000, and provides other tax incentives to entrepreneurs.**

*Sponsor:* Rep. Steven Horsford (D-NV)

Discussion: Rep. Horsford said that the current startup tax deduction is too low to incentivize most entrepreneurs to open startup businesses. He said that the amendment would help reduce bankruptcy filings, unemployment and lost growth.

**FAILED:** 19-25

- **Amendment – Strikes Title XI (the entire bill), replaces it with a blank bill.**

*Sponsor:* Rep. Brad Schneider (D-IL)

Discussion: Rep. Schneider said that his amendment would make it easier for the Senate to craft a bill that does not contain the flaws of the underlying bill, and urged the House and Senate to work together on a bill.

**FAILED:** 19-25

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