

# Why ‘One, Big, Beautiful Bill’ Stalled, and What’s Next

The reconciliation budget has hit a rough patch in the House as moderate and conservative Republicans fight for differing priorities.

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Members listen during a mark up meeting with the House Budget Committee on Capitol Hill in Washington on May 16, 2025. Members of the Budget Committee met to consider House Republicans' reconciliation bill, which includes U.S. President Donald Trump's proposed tax and spending cuts. Anna Moneymaker/Getty Images



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WASHINGTON—Republicans were dealt a major blow on May 16 when the House Budget Committee failed to advance a multi-trillion-dollar budget package.

Created through a process that does not require support from Democrats, the package would fund President Donald Trump's agenda items on the border, energy, and more while making permanent the tax cuts passed during his first presidency. It would also raise the debt ceiling to \$4 trillion.

House Speaker Mike Johnson's Memorial Day deadline to advance the package looked to be in jeopardy after the May 16 vote. Throughout the morning, House Majority Leader Steve Scalise negotiated with conservative Republican holdouts concerned about the bill's level of spending—and Trump complained [on Truth Social](#) of “grandstanders’ in the Republican Party.”

The bill failed in the Budget Committee on a 21 to 16 vote. Five Republican members—Reps. Chip Roy (Texas), Josh Brecheen (Okla.), Andrew Clyde (Ga.), and Ralph Norman (S.C.)—voted against the legislation. Rep. Lloyd Smucker (R-Pa.) said he [supports the bill](#) but voted against it as a tactical move to allow the committee try to advance it again. The committee will reconvene on May 18.

The result is a hiccup in the process known as reconciliation, which could let Republicans pass the bill with their slim Senate majority without being thwarted by a filibuster.

But reconciliation is governed by stringent rules, including the Byrd rule. That rule requires the bill's provisions to have some connection to the budget. Reconciliation bills also cannot increase the federal deficit after 10 years. That means permanent spending increases must be offset by cuts—a concern raised by budget hawks like Norman.

Here are four big reasons why the reconciliation bill has stalled.

## SALT

SALT stands for state and local taxes. For some blue state Republicans, the current impact of those taxes is a big concern.

New Jersey, California, and New York, hotbeds for SALT Republicans, have some of the [highest](#) state income taxes in the country, as well as comparatively [high property taxes](#) or property values.

The Tax Cuts and Jobs Act of 2017 capped SALT deductions from federal taxes at \$10,000 per household. Some Republicans think that is far too low.

While the final draft of the reconciliation bill raises the SALT deduction cap to \$30,000, this figure has not been enough for some Republicans, who want to raise the cap further. They said existing tax burden is too heavy on their constituents.

“This is a critical issue for New Yorkers and we need to get this done,” [wrote](#) Rep. Mike Lawler (R-N.Y.), who has become the leading spokesperson in favor of SALT, on social media.

After leaving a May 15 meeting with GOP leadership, Rep. Nick LaLota (R-N.Y.), an outspoken SALT Republican, said lawmakers have still “got a lot of work to do.”

SALT expansion has met with resistance from fiscal conservatives, including Norman.

“If you raise the SALT cap from [\$10,000] to [\$30,000] to whatever, pay for it,” he told reporters minutes ahead of the budget committee vote.

On X, Roy wrote that a change to the SALT cap amounts to “subsidizing blue state high-tax jurisdictions.”

“If they want that, then I want the reforms to Medicaid,” Roy [wrote](#).

Rep. Nicole Malliotakis (R-N.Y.) is among the SALT-aligned moderates who have taken issue with expansive cuts to Medicaid.

She told The Epoch Times on May 15 that she expected a deal to emerge on SALT.

“I think we can get to a place that will satisfy the SALT members as well as the low-sodium members,” she said.

## Medicaid

Disagreements about Medicaid, a federally funded and state-administered health insurance program for low-income Americans, have caused friction, too.

Republicans are seeking significant savings in Medicaid. The Congressional Budget Office estimated that Medicaid-related provisions would save \$625 billion over 10 years, and added that the bill would also lead to about 7.6 million people becoming ineligible for the program.

Amid May 16 negotiations, Scalise confirmed to reporters that conservative Republicans are seeking further adjustments to

Medicaid, particularly the timing of proposed work requirements for program eligibility.

Moderate Republicans such as Malliotakis have opposed large Medicaid cuts amid fears of an electoral backlash in 2026.

Democrats have made Medicaid the focal point of their crusade against the GOP's bill, which turns up the heat on Republicans in battleground districts.

"The GOP Tax Scam takes health care away from nearly 14 million Americans, including kicking more than 8 million people off Medicaid," [wrote](#) the House Democratic Caucus on X shortly after the bill failed.

Republicans have said that their changes to the program would merely make illegal immigrants ineligible for Medicaid, prevent fraud in the program, and impose stricter requirements on non-working adults seeking benefits.

"Democrats are exaggerating about the Medicaid impacts of the House GOP reconciliation bill," [wrote](#) Rep. Ken Calvert (R-Calif.) on X on May 13. "The truth? We are strengthening Medicaid for children, mothers, people with disabilities and the elderly—for whom the program was designed."

Some Republicans have said Medicaid measures will bring pain to their supporters.

"There's a lot of cuts in there to Medicaid. They will hurt our people ... Working class people," Sen. Josh Hawley (R-Mo.) [said](#) before the vote on "Steve Bannon's War Room."

Trump has consistently said that neither the bill nor his administration will adversely affect Medicaid for U.S. beneficiaries.

"[The bill] will kick millions of Illegal Aliens off of Medicaid to PROTECT it for those who are the ones in real need," Trump wrote in his pre-vote Truth Social post.

## IRA Tax Credits

Republicans have also differed over the timeline for eliminating energy-related subsidies from the Biden-era Inflation Reduction Act (IRA).

Norman told reporters amid negotiations that he wants to see those programs "end now."

The current bill phases out IRA electricity production and generation credits after 2028. Certain production credits for wind energy would be eliminated starting in 2027, while some others would end at later dates. Many credits would be repealed after 2025.

Midway through negotiations on May 16, Brecheen described the recent growth of solar energy on the grid as a concern. He cited [information](#) from the Energy Information Administration, which found that 61 percent of new capacity on the American grid in 2024 came through solar power, and warned of China's solar manufacturing dominance.

“We are displacing U.S. jobs by outsourcing to China,” he said, predicting that lobbyists would seek to extend green energy credits further in a few years.

## The Cost

Some Republicans take issue with the cost of the bill—and its effects on the deficit.

The exact estimates of the bill's deficit effects vary.

The CBO estimates that it would add [\\$5.15 trillion](#) to the deficit between 2025 and 2034. Other sources have generated higher estimates.

The Committee for a Responsible Federal Budget, a bipartisan group led by former public officials, estimates that reconciliation—including the Senate's spending thresholds and the interest on debt required for such spending—will cost up to [\\$6.9 trillion](#).

“The GOP budget extends the 5 yr. tax holiday we've been enjoying, but because it doesn't cut spending much, it increases the deficit by over \$300 billion/yr,” [wrote](#) Rep. Thomas Massie (R-Ky.), a fiscal conservative, on X in February.

Some Republicans have raised concerns about the timing of projected costs and savings.

After meeting with Scalise and Johnson on May 15, Roy told reporters that the bill had “too much back load in the savings and too much front load in the tax policy.”

Some are concerned about the bill's length.

It is presently [1,116 pages long](#). That's on par with omnibus spending bills, which Republicans have previously opposed because each

individual provision is hard to scrutinize.

## What's Next

After the Friday afternoon vote, it was initially unclear what would happen and when, as Republicans try to maintain their fast timeline.

Budget Committee Chair Jodey Arrington (R-Texas) told members to go home for the weekend.

“Know that the weekend is yours and your family’s,” he said.

A few hours later, the committee announced it would reconvene at 10 p.m. on May 18, a Sunday.

The X account for the House Freedom Caucus, which includes Republicans who voted against the bill, [wrote](#) that members “will continue to work through the weekend” on negotiations.

Meanwhile, there are signals of opposition in the Senate, which would consider the package if the House passes it.

Sen. Ron Johnson (R-Wisc.) has [said](#) on X that the high level of spending could prove to be an obstacle, voicing doubts about its passage.

Lawmakers are under pressure to act on the debt ceiling, which the bill would raise. In a May 9 [letter](#), Treasury Secretary Scott Bessent called on Congress to address the issue by the middle of July.

“A failure to suspend or increase the debt limit would wreak havoc on our financial system and diminish America’s security and global leadership position,” he wrote.

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