

# Tax bill may cost poor Americans \$1,600 a year

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THE ASSOCIATED PRESS

WASHINGTON>> The Republican tax bill approved by the U.S. House of Representatives would cost the poorest Americans about \$1,600 a year while increasing the income of the wealthiest households by an average of \$12,000 annually, according to a new analysis released Thursday by the Congressional Budget Office.

Middle-income households would see a boost of \$500 to \$1,000 per year under Republican President Donald Trump's tax bill, the CBO found.

The cuts to the lowest-income households come from proposed cuts to social safety net programs including Medicaid and a food assistance program for lower-income people, known as Supplemental Nutrition and Assistance Program.

The bill also proposes expanding work requirements to receive food aid and new "community engagement requirements" of at least 80 hours per month of work, education or service for able-bodied adults without dependents to receive Medicaid. Some proposed tax breaks would be temporary, including a tax break on tips and overtime, car loan interest and a \$4,000 increase in the standard deduction for seniors.

Treasury Secretary Scott Bessent and other Republicans have sought to discredit the CBO's analyses of the bill and say that the U.S. could head toward economic catastrophe if the measure is not passed. GOP Idaho Sen. Mike Crapo said during a Senate Finance Committee hearing on Thursday that the tax bill "recognizes the solution to our debt crisis is not to tax Americans more. It is to spend less."

"The legislation recognizes that extending proven tax reform is critical for working families," he said.

Administration officials have said the cost of the tax bill would be offset by tariff income. Recently, the CBO separately estimated that Trump's sweeping tariff plan would cut deficits by \$2.8 trillion over a 10-year period while shrinking the economy, raising the inflation rate and reducing the purchasing power of households overall.

The CBO was established more than 50 years ago to provide objective, impartial analysis to support the budget process. It is required to produce a cost estimate for nearly every bill approved by a House or Senate committee and will weigh in earlier when asked to do so by lawmakers.

The office's analysis released Thursday considers Trump's "One Big Beautiful Bill Act" in isolation, excluding the potential impact of the tariffs that Trump has imposed and paused on nations around the world.

Democratic Rep. Brendan Boyle of Pennsylvania, who requested the CBO analysis released Thursday, said in a statement that "this would be one of the largest transfers of wealth from working families to the ultra-rich in American history. It's shameful."