

# TIMELINE FOR H.R. 1 IMPLEMENTATION

On July 4, 2025, President Trump signed into law the *One Big Beautiful Bill Act (OBBBA)*, or H.R.1, enacting the largest cuts to basic needs programs in U.S. history to fund tax cuts for the ultra wealthy. Below is a timeline that details enactment dates of cuts to healthcare, food assistance, energy affordability, tax incentives, higher education, and more.

## MEDICARE, MEDICAID, AND ACA COVERAGE

Starting in fiscal year 2026, the *OBBBA* will gradually decrease federal matching funds for states that expanded Medicaid under the *Affordable Care Act (ACA)*. By the end of December 2026, states will be required to impose additional verification and other red-tape requirements for Medicaid recipients.

### January 1, 2027

- End of eligibility for *ACA* marketplace coverage premium tax credits for refugees, asylees, and people with temporary protected status (TPS);
  - The bill also does not extend *ACA* enhanced premium tax credits set to expire (for everyone) at the end of 2025. If Congress does not extend the premium tax credits before then, consumers can expect their out-of-pocket insurance premiums to increase next year.
- Prohibition of working individuals who lose Medicaid coverage (because of work reporting requirement) from being eligible for *ACA* premium tax credits; and
- Reduction of retroactive Medicaid coverage from 90 days to 30 days for adults in states that expand Medicaid and to 60 days for all other Medicaid enrollees.

### January 4, 2027

- End of Medicare eligibility for some lawfully present immigrants (removes refugees, asylees, and humanitarian parolees).

### October 1, 2027

- Reduction of Medicaid provider tax rates for expansion states by 0.5 percent each year, until a maximum of 3.5 percent is reached in fiscal year 2043.

### January 1, 2028

- Modification of orphan drug exclusion to make fewer drugs eligible for Medicare drug price negotiation; and
- Elimination of provisional premium tax credit eligibility, requiring health insurance exchanges to institute preenrollment verification.

### October 1, 2028

- Requirement of states to impose cost-sharing requirements of up to \$35 per service for Medicaid expansion enrollees.

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## SNAP AND FOOD ASSISTANCE

Starting on July 4, 2025, the *OBCCA* makes significant changes to the Supplemental Nutrition Assistance Program (SNAP), impacting food assistance across the country for those who need it most. The U.S. Department of Agriculture (USDA) will issue updated guidance based on the enactment of the *OBCCA* within four months of enactment of H.R.1, after which, states will implement such guidance. Changes for individual households will depend on the timeline of state implementation.

### July 4, 2025

- Start of harsher SNAP paperwork requirements for families with children ages 14 and up, older Americans (ages 55-64), former foster youth, veterans, and homeless people;
- End of SNAP eligibility for non-legal permanent residents (excludes lawfully present refugees, asylees, and people granted withholding of removal);
- Restrictions on the option to waive the three-month benefit time limit work requirement in areas with elevated unemployment rates; and
- Cuts to utility deductions by an estimated \$100 per month for SNAP beneficiaries receiving Low Income Energy Assistance Program (LIEAP) energy assistance.

### October 1, 2025

- Blocks a change to allow SNAP beneficiaries to deduct internet costs; and
- End of National Education and Obesity Prevention Grant Program funding.

### October 1, 2026

- Delays to the next Thrifty Food Plan (TSP) reevaluation, freezing benefit amounts for recipients and eliminating the USDA's ability to adjust the cost of TSP; and
- States' share of SNAP administrative costs increases.

### October 1, 2027

- For the first time, states will pay up to 15 percent of SNAP benefits based on payment error rates, resulting in hundreds of millions of dollars in costs per year.

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## TAX

The *OBCCA* includes a wide range of tax provisions, many of which are extended from the 2017 *Tax Cuts and Jobs Act (TCJA)*. These provisions also include temporary deductions to eliminate income taxes on certain tips, overtime pay, and auto loan interest (until the end of 2028).

### January 1, 2025

- Increase in the Child Tax Credit to \$2,200 (up from \$2,000);
- Reduced rules and thresholds for reporting business payments to the IRS;
- End of tighter interest deduction limitation for businesses;
- Increase in deduction limit for business interest payments;
- Increase of State and Local Tax (SALT) deduction cap from \$10,000 to \$40,000, phasing out deductions for taxpayers making more than \$500,000 (until 2030);
- Start of tax break on tip income, making \$25,000 of tips deductible until the end of 2028;
- Start of tax break on overtime income, making \$12,500 for overtime income for individual filers (or \$25,000 for joint filers) until the end of 2028;
- Start of tax breaks on auto loan interest, making \$10,000 deductible for auto loan interest for vehicles with final assembly in the U.S., until the end of 2028;
- Start of "Trump Accounts," new individual retirement accounts where the government contributes a one-time \$1,000 payment for children born between January 1, 2025 to December 31, 2028; and
- Start of a \$6,000 deductible for certain seniors, which expires at the end of 2028.

### January 1, 2026

- Renewal of provisions of the 2017 *TCJA*, which will reduce marginal individual rates, adjust tax brackets, and eliminate personal tax exemptions;
- Start of new limitation on itemized deductions to 35 percent for taxpayers;
- Creation of new Trump investment accounts that allow individuals to contribute \$5,000 annually to an individual retirement account for children;
- Expansion of estate tax exception to \$15 million (or \$30 million for couples);
- Start of 1 percent remittance tax on specific electronic payments from those within the United States to those outside the country;
- Expansion of the qualified small business stock tax exclusion;
- Reduction of \$200 tax on gun suppressors and short-barrel rifles;
- Start of international corporate tax reforms and tax cuts; and
- Start of new tax breaks for banks and distilled spirits makers.

### January 1, 2027

- Start of tax credits for donations to private school scholarship granting organizations, encouraging donations to private school choice programs.

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## TAX (continued)

### January 1, 2029

- Expiration of tax breaks on tip income, overtime income, and auto loan interests;
- Expiration of one-time \$1,000 federal deposits into Trump Accounts for children; and
- Expiration of \$6,000 deductible for certain seniors.

### January 1, 2030

- Decrease of the SALT deduction cap (from the previously raised \$40,000), reverting it to \$10,000.

## STUDENT LOANS

The *OBBA* introduces significant changes to federal student loans and loan repayment programs, imposing new borrowing limits, tighter restrictions, and reduced repayment options on students and parent borrowers. It also ends President Biden's Saving on a Valuable Education (SAVE) loan repayment plan— replacing it with the Republican Repayment Assistance Plan (RAP), which increases costs even for the lowest-income borrowers.

### July 1, 2026

- Introduction of new limits on student loans issued to parent borrowers (at \$20,000 per child/year, or \$65,000 per child over the parent's lifetime);
- Introduction of new limits on loans for graduate students at \$20,5000 per year (\$100,000 lifetime) for masters' degrees and \$50,000 per year (\$200,000 lifetime) for professional degrees;
- After this date, any student loans issued will need to be repaid through the new standard plan or new Repayment Assistance Plan (which raises costs for the lowest-income borrowers); and
- After this date, student loans issued to parent borrowers will not be eligible for any income-driven repayment plans.

### July 1, 2027

- End of student loan deferments for economic hardship or unemployment.

### July 1, 2028

- Deadline for current student loan borrowers to switch to new repayment plans, which are all more expensive for most borrowers than current ones.

### July 1, 2035

- Delayed implementation of new regulations that protect student loan borrowers, making it harder for borrowers to have their federal student loans discharged.

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## ENERGY AND CLIMATE

The *OBCCA* rescinds billions of dollars in funding included in the *Inflation Reduction Act (IRA)* for climate and clean energy investment and rolls back many of the core tax incentives that clean energy projects have relied on since the passage of the *IRA* in 2022. It also creates a new oil and gas leasing schedule on and offshore and creates new tax credits for coal producers.

### July 4, 2025

- Start of a new oil and gas leasing schedule, requiring quarterly onshore and offshore lease sales;
- Start of oil and gas lease sales in the Arctic National Wildlife Refuge;
- Start of increased timber sales and logging on public lands;
- Rescission of unspent funding for Department of Energy (DOE) *IRA* loan, facility deployment, and facility financing programs;
- Rescission of unspent funding for Environmental Protection Agency (EPA) *IRA* Greenhouse Gas Reduction Fund, Clean Heavy-Duty Vehicles Program, and climate pollution reduction grants;
- Rescission of unspent funding for USDA *IRA* programs for sustainable forestry;
- Rescission of unspent funding for Department of Transportation (DOT) *IRA* programs for Neighborhood Access and Equality Grant Program;
- Rescission of unspent funding for Government Services Administration (GSA) *IRA* programs for Low-Carbon Materials for Federal Buildings programs;
- Rescission of unspent funding for National Oceanic & Atmospheric Administration (NOAA) *IRA* programs for coastal resilience, atmospheric research, weather forecasting, and environmental reviews;
- Rescission of unspent funding for Housing and Urban Development (HUD) Green and Resilient Retrofit program; and
- Restriction on clean energy manufacturing, critical mineral recycling, and industrial decarbonization projects (48C).

### September 30, 2025

- End of rebate for used electric vehicles (EVs) for low-income car buyers (25E);
- End of \$7,500 tax credit for qualified new EVs (30D); and
- End of credit for commercial clean vehicles (e.g., trucks, buses, fleets, leases) for businesses and tax-exempt organizations (45W).

### October 4, 2025

- Requirement for at least 4 million acres of recoverable coal resources on federal land to be made available for coal leasing.

### December 31, 2025

- End of homeowner credit to weatherize and improve efficiency of their homes (25C), through window insulation, heating, ventilation, and HVAC upgrades; and
- End of homeowner credit to install clean energy (e.g., rooftop solar).

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## ENERGY AND CLIMATE (continued)

### January 1, 2026

- Restrictions to apply for credits for the investment and production of zero-emission electricity projects (e.g., wind, solar, battery, geothermal); and
- Start of tax credit for coal producers, without restrictions as to whether production takes place inside or outside the United States.

### June 30, 2026

- End of credit for installing EV charging at homes and businesses (30C);
- End of credit for builders to make energy efficient buildings (179D); and
- End of credit for builders to construct/reconstruct energy efficient homes (45L).

### December 31, 2027

- End of tax credits for investment and production of wind & solar facilities (45Y); and
- End of manufacturing production tax credits for wind energy components (45X).

### January 1, 2028

- End of tax credit for production of hydrogen projects (45V).

Should you have any questions, please contact our team at our office, or online at [fletcher.house.gov](https://fletcher.house.gov)

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