



RAMIFICATIONS OF NOT PASSING THE ONE BIG BEAUTIFUL BILL

The One Big Beautiful Bill (OBBB) will result in surging U.S. growth and a blue-collar boom, help create millions of jobs, boost families' take-home pay, spur investment, and revitalize struggling communities. Failing to preserve President Trump's historic 2017 tax cuts would lead to a \$4 trillion tax hike over 10 years, the largest nominal increase in history. An economic downturn would likely follow.

If the 2017 Tax Cuts and Jobs Act (TCJA) were to expire and the OBBB not to pass, the CEA estimates:

- U.S. real GDP would contract by up to 4% over 4 years.
- Up to 6.1 million full-time equivalent jobs would be lost.
- Over 8 million people could lose health insurance if the contraction led to a severe recession.
- A likely recession followed by lower long-run GDP would produce \$4+ trillion of deficits from a smaller tax base and greater government dependence as expenditures increase on unemployment insurance and other safety-net programs.

What would cause a downturn?

- Reduced consumer spending from higher taxes: tax rates would rise on individuals and pass-through entities, and the standard deduction and tax credit would be cut in half.
- Less small business investment and hiring: higher pass-through taxes from the loss of the 20% pass-through deduction and higher tax rates would slow small business creation and growth.
- Poor communities would lose investment, jobs, and housing supply as Opportunity Zones lapse.

Growth-impeding tax hikes would create financial, fiscal, and employment stresses for all Americans:

- Entitlement spending would increase due to automatic stabilizers supporting newly unemployed workers and those without private or employer-sponsored insurance.
- Real wages and family incomes would fall, likely worsening the lingering affordability crisis.

By preventing the TCJA from expiring and adding the new provisions of the OBBB and the President's proposals, we would not only prevent a downturn, but also raise growth, create jobs, boost incomes, and ensure the U.S. is the most competitive business landscape in the world. The CEA estimates:

- Real GDP growth would be 4.2 to 5.2% higher over the next four years and 2.9 to 3.5% in the long run.
- Between 6.6 to 7.4 million full-time equivalent jobs would be saved or created over the next four years and 4.2 million in the long run.
- Investment would jump 9.8 to 14.5% over the next four years and 4.9 to 7.5% in the long run.
- The typical family with two children would see \$7,800 to \$13,300 higher take-home pay from the combination of lower business taxes and individual and household tax relief.
- Additional benefits to distressed communities via expanded Opportunity Zones, incentivizing more than \$100 billion of new investment, creating more than 1 million jobs, and building hundreds of thousands of new homes.