During His Decade As A Politician In Sacramento, Adam Gray Voted For Over $14 Billion In New Taxes On Californians, Including Gas Taxes, Sales Taxes, Payroll Taxes, And Vehicle Fees, Then He Went To Washington And Voted For The Largest Tax Increase In American History.

Total Taxes Raised In California

<u>During His Time In The California Statehouse, Adam Gray Voted For Over $14 Billion In Higher Taxes And Fees</u>

During The 2017-18 Legislative Session, Adam Gray Voted For Nearly $700 Million In Higher Taxes And Fees As A Member Of The California State Assembly. (Vol. V, No. III, "Tax And Fee Report," California Tax Foundation, 10/9/18)

Adam Gray (D - Merced) — $699,381,000

(Vol. V, No. III, "Tax And Fee Report," California Tax Foundation, 10/9/18)

In 2019, Gray Voted For Nearly $4 Billion In Higher Taxes And Fees As A Member Of The California State Assembly. (Vol. VI, No. 4, "Tax And Fee Report," California Tax Foundation, 11/19/19)

Adam Gray (D-Merced) — $3,879,220,000

(Vol. VI, No. 4, "Tax And Fee Report," California Tax Foundation, 11/19/19)

In 2020, Gray Voted For Nearly $4.5 Billion In Higher Taxes And Fees As A Member Of The California State Assembly. (Vol. VII, No. 3, "Tax And Fee Report," California Tax Foundation, 10/1/20)

Adam Gray (D-Merced) — $4,460,800,000

(Vol. VII, No. 3, "Tax And Fee Report," California Tax Foundation, 10/1/20)

In 2021, Gray Voted For Over $2.5 Billion In Higher Taxes And Fees As A Member Of The California State Assembly. (Vol. VIII, No. 2, "Tax and Fee Report," California Tax Foundation, 12/01/21)

$2,503,700,000
Adam Gray (D-Merced)

(Vol. VIII, No. 2, "Tax and Fee Report," California Tax Foundation, 12/01/21)

In 2022, Gray Voted For Over $3 Billion In Higher Taxes And Fees As A Member Of The California State Assembly. (Vol. IX, No. 3, "Tax and Fee Report," California Tax Foundation, 11/04/22)

$3,168,545,000
Adam Gray (D-Merced)

(Vol. IX, No. 3, "Tax and Fee Report," California Tax Foundation, 11/04/22)

Gas Tax

<u>In 2017, Gray Voted In Favor Of Legislation That Raised The Gas Tax By 43 Percent, Or 12 Cents Per Gallon, Raised Vehicle Fees, Resulting In Every California Driver Paying More</u>

In April 2017, Gray Voted In Favor Of Senate Bill 1. ("SB-1 Transportation Funding," California Legislative Information, 4/6/17)

Bill Votes	
Date	04/06/17
Result	(PASS)
Location	Assembly Floor
Ayes Count	54
Noes Count	26
NVR Count	0
Motion	SB 1 Beall Third Reading Urgency By FRAZIER
Ayes	Aguiar-Curry, Arambula, Berman, Bloom, Bocanegra, Bonta, Burke, Caballero, Calderon, Cervantes, Chau, Chiu, Chu, Cooley, Cooper, Dababneh, Daly, Eggman, Frazier, Friedman, Cristina Garcia, Eduardo Garcia, Gipson, Gloria, Gomez, Gonzalez Fletcher, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Levine, Limón, Low, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Quirk, Quirk-Silva, Reyes, Ridley-Thomas, Rodriguez, Rubio, Santiago, Mark Stone, Thurmond, Ting, Weber, Wood, Rendon
Noes	Acosta, Travis Allen, Baker, Bigelow, Brough, Chávez, Chen, Choi, Cunningham, Dahle, Flora, Fong, Gallagher, Harper, Kiley, Lackey, Maienschein, Mathis, Mayes, Melendez, Obernolte, Patterson, Salas, Steinorth, Voepel, Waldron
NVR	

("SB-1 Transportation Funding," California Legislative Information, 4/6/17)

- **SB 1 Was A Transportation Bill That Hiked Gas Taxes And Vehicle License Fees.** "Senate Bill 1, which would fix California's pothole-ridden roads and unstable bridges by hiking gas taxes and vehicle license fees, squeaked by in the Senate 27-11. It then headed to the Assembly, where it passed narrowly, 54-26. Earlier Thursday, the Legislature's Democratic leaders began showering reluctant legislators with transportation projects for their districts." (Katy Murphy, "California Legislature Passes 12-Cent Gas Tax Hike," The Mercury News, 4/6/17)

- **SB 1 Raised The Excise Tax On Gasoline By 12 Cents Per Gallon And Diesel By 20 Cents Per Gallon, And Required Additional Annual Adjustments Based On Inflation.** "Increases a number of taxes and fees for transportation purposes: a) Increases the excise tax on gasoline by $0.12 per gallon, starting November 1, 2017. b) Increases the excise tax on diesel fuel by $0.20 per gallon, starting November 1, 2017 … Requires that the tax rates and fees specified in this bill, other than the diesel sales tax, are adjusted annually based on the California Consumer Price Index (CPI)." (SB-1 Transportation Funding Assembly Floor Analysis, California Legislative Information, 4/6/17)

  - **Gas Taxes Were Raised By 43 Percent Or 12 Cents A Gallon.** "The deal negotiated by Gov. Jerry Brown and legislative leaders passed without a vote to spare and will raise gas taxes by 43 percent, or 12 cents a gallon, while also increasing diesel taxes. The hikes take effect Nov. 1." (Jonathan J. Cooper, "California Gas Tax Passes After Republican Lawmaker Wins $500 Million Promise," CBS Sacramento 13, 4/7/17)

- **Every Driver In California Ended Up Paying More.** "A $52 billion transportation bill – which will see every driver in California paying more to cover the cost – now only needs the Governor Jerry Brown's signature for it to become law. Senate Bill 1's passing saw the urgency clause enacted in the legislature, and both the State Assembly and State Senate worked late into Thursday night to see it through." ("State Legislature Votes To Raise Price Of Gas For Road Repair," KMJ Now, 4/7/17)

- **The Bill Would Raise Gas Taxes And Vehicle Fees By $5.2 Billion A Year.** "After a week of fierce debate between opposing interests, the state Legislature on Thursday approved a plan to raise gas taxes and vehicle fees by $5.2 billion a year to pay for the repair of California's pothole-ridden, decaying system of roads, highways and bridges." (Patrick McGreevy And Meanie Mason, "California Legislature Votes To Raise Gas Taxes, Vehicle Fees By $5.2 Billion A Year For Road Repairs And Transit," *Los Angeles Times*, 4/6/17)

- **SB 1 Created New Vehicle License Fees.** "It will create a new vehicle license fees starting Jan. 1." (Katy Murphy, "California Legislature Passes 12-Cent Gas Tax Hike," The Mercury News, 4/6/17)

  - **Cars Worth Under $5,000 Would Pay A $25 Per Year Which Would Be Paid By Nearly Half Of California Drivels; Cars That Are Worth Between $5,000 To**

$25,000 Would Pay $50 By About 40 Percent Of California Drivers; And The Highest-End Luxury Cars Would Pay As Much As $175 More. "The nearly half of California drivers whose cars are worth under $5,000 would pay a $25 fee each year, while those with vehicles valued between $5,000 and $25,000 — about 40 percent of drivers in the state — would pay $50. Drivers of the highest-end luxury cars would pay as much as $175 more." (Katy Murphy, "California Legislature Passes 12-Cent Gas Tax Hike," The Mercury News, 4/6/17)

- **Since SB 1 Passed, The Excise Tax Has Increased By 36 Cents Due To Adjustments For Inflation, Increasing From 27.8 Cents Per Gallon To 63.4 Cents Per Gallon.** ("Sales Tax Rates For Fuels," California Department Of Tax And Fee Administration, Accessed 9/11/23)

Motor Vehicle Fuel (Gasoline) Rates by Period

Period	Sales Tax Rate (plus applicable district taxes) Excludes Aviation Gasoline [1]	Prepayment of Sales Tax Rate (per gallon) Excludes Aviation Gasoline [2]	Excise Tax Rate (per gallon) Excludes Aviation Gasoline [3]	Excise Tax Rate for Aviation Gasoline (per gallon)
07/2026–06/2027	2.25%	$0.080	$0.634	$0.197
07/2025–06/2026	2.25%	$0.075	$0.612	$0.190
07/2024–06/2025	2.25%	$0.080	$0.596	$0.186
07/2023–06/2024	2.25%	$0.080	$0.579	$0.18
07/2022–06/2023	2.25%	$0.090	$0.539	$0.18
07/2021–06/2022	2.25%	$0.055	$0.511	$0.18
07/2020–06/2021	2.25%	$0.050	$0.505	$0.18
07/2019–06/2020	2.25%	$0.060	$0.473	$0.18
07/2018–06/2019	2.25%	$0.060	$0.417	$0.18
11/2017–06/2018	2.25%	$0.050	$0.417	$0.18
07/2017–10/2017	2.25%	$0.050	$0.297	$0.18
07/2016–06/2017	2.25%	$0.050	$0.278	$0.18

("Sales Tax Rates For Fuels," California Department Of Tax And Fee Administration, Accessed 9/11/23)

NOTE: *The gas tax in California has increased by 113 percent since SB 1 went into effect in November 2017.*

In April 2017, Gray Tweeted That A *Modesto Bee* Editorial That Argues That A Gas Tax "Makes Sense." (Adam Gray, Twitter, 4/3/17)

Adam C. Gray
@AdamGrayCA

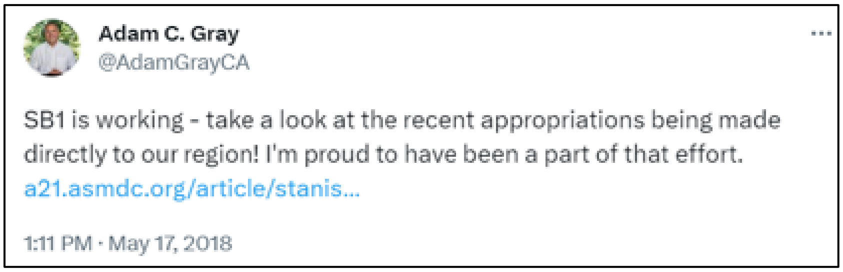
Gas tax makes sense, if state sees our needs fb.me/2lbK9bEZM

11:11 PM · Apr 3, 2017

(Adam Gray, Twitter, 4/3/17)

In April 2017, Gray Acknowledged That A Gas Tax Disproportionately Impacts Rural Communities, But Still Said "We Are Prepared To Work With" The Governor On The Tax. "The burden of new taxes must fall equally on all shoulders, not disproportionately impacting rural communities. With housing prices near job centers through the roof, more people are forced to commute farther (consuming more gas) than many others. In these same rural communities, where agriculture is the primary economic driver, the proposed gas taxes will increase costs to grow and transport goods. These are the last folks we should ask to cough up new taxes. The Valley must get its fair share of transportation investments – including public transit funding. Our ACE rail extension and Amtrak expansion should be guaranteed. Some people will call that pork; we call it transparency, ensuring we know exactly how our money will be spent. Gov. Brown said this plan 'is not eating cotton candy. This is real spinach. This is broccoli.' Well Governor, when you eat your vegetables the entire body benefits – not just some parts at the expense of others. If you commit to improving the health of the transportation system in the entire state, we are prepared to work with you." (Sen. Anthony Cannella and Assemblyman Adam Gray, Op-Ed, "Gas Tax Must Be Fair For The Valley's Working Families," *The Modesto Bee*, 4/4/17)

In 2018, Gray Tweeted That He Was "Proud To Have Been A Part Of That Effort" To Pass SB 1. (Adam Gray, Twitter, 5/17/18)



(Adam Gray, Twitter, 5/17/18)

In February 2022, Adam Gray Said He Was "Proud" Of SB 1, Saying "We're Going To Get More Out Of That SB 1 Than We're Going To Pay In." ADAM GRAY: "And frankly, I don't like paying the gas tax more than anybody else. And frankly gas is too expensive, and we ought to be looking at ways that we can do something about that. But at the same time, we're going to get more out of that SB 1 than we're going to pay in. I'm proud of that, I'm proud of the work we did. This community won in that discussion." (Citizen Watch, Listen Notes, 2/26/22, 7:05 – 7:25)

Income Tax

Gray Did Not Vote On Raising Taxes By Increasing The Highest Tax Bracket And Creating Three New Top Income Tax Rates

In 2020, Assembly Bill 1253 Would Have Increased Income Tax Rates By Imposing Three New Surcharges: 1 Percent Of Taxable Income Over $1 Million, 3 Percent Of Taxable Income Over $2 Million, And 3.5 Percent Over $5 Million. "Earlier this month, lawmakers also announced Assembly Bill 1253, which would bump income tax rates by imposing three new surcharges on the state's wealthiest households: 1% for taxable income over $1 million, 3% for income over $2 million and 3.5% for income over $5 million." (Hannah Wiley, "California Democrats Pushing 2 Plans To Tax The Rich In Coronavirus Downturn," *The Sacramento Bee*, 8/13/20)

"That Meaning [Sic] California's Wealthiest Could Pay 16.8% On Income Earned Over $5 Million." (Hannah Wiley, "California Democrats Pushing 2 Plans To Tax The Rich In Coronavirus Downturn," *The Sacramento Bee*, 8/13/20)

"California's Seven-Figure Earners Already Pay The Highest State Income Tax Rate In The Country -- 13.3% -- According To The Tax Foundation." (Hannah Wiley, "California Democrats Pushing 2 Plans To Tax The Rich In Coronavirus Downturn," *The Sacramento Bee*, 8/13/20)

- **The New Top Rate Of 16.8 Percent Under Assembly Bill 1253 Would Have Been Over 25 Percent Higher Than The State's Top Rate At That Point And Hurt Small Businesses.** "California's new top rate under AB 1253 would be 16.8%, which is a 26.3% increase from the state's current top rate. AB 1253 provides yet another tax increase that is marketed as a way to target the rich, but which will also ensnare small businesses that have been ravaged by pandemic-driven closures and the associated economic downturn (that's not to mention the riot-caused property destruction that has devastated the life's work of some small business owners)."

(Patrick Gleason, Op-Ed, "California Taxpayers Can Check Out Any Time They Like, But Lawmakers Still Want To Tax Those Who Leave," *Forbes*, 8/31/20)

- **An Estimated 20,000 Small Businesses With Incomes Greater Than $1 Million Would Be Hit By Assembly Bill 1253's Income Tax Hike.** "According to IRS data for 2017, the most recent year available, more than 20,000 small businesses have income in excess of $1,000,000 that would be hit by AB 1253's retroactive income tax hike. That is just the number of sole proprietors in California who would be hit by the proposed income tax hike." (Patrick Gleason, Op-Ed, "California Taxpayers Can Check Out Any Time They Like, But Lawmakers Still Want To Tax Those Who Leave," *Forbes*, 8/31/20)

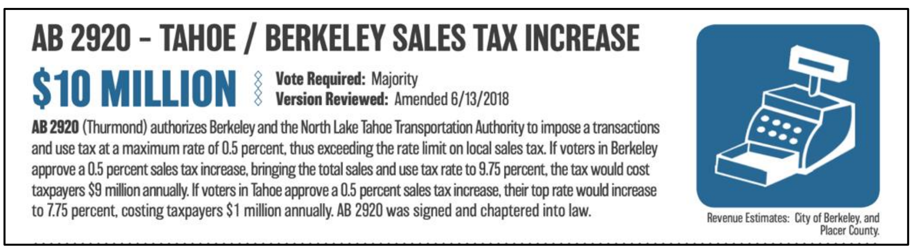
- **More Than 55,000 Partnerships And S-Corp Owners Would Have Been Impacted By Assembly Bill 1253.** "There are also more than 55,500 Partnerships & S-Corp owners who would also be adversely impacted by this income tax hike." (Patrick Gleason, Op-Ed, "California Taxpayers Can Check Out Any Time They Like, But Lawmakers Still Want To Tax Those Who Leave," *Forbes*, 8/31/20)

Gray Did Not Vote On Assembly Bill 1253 In May 2019. (AB 1253, Passed 59-17-4, 5/23/19, Gray No Vote Recorded)

Sales Tax

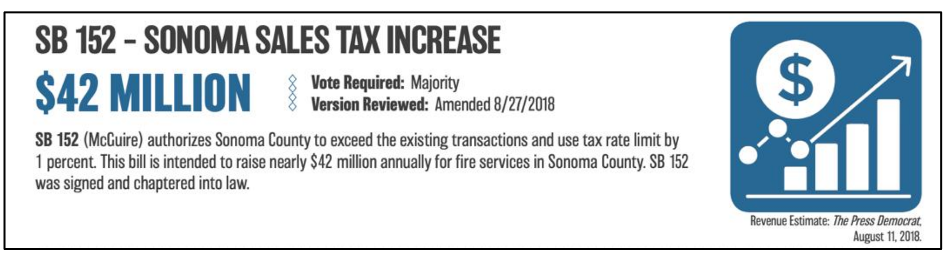
Adam Gray Repeatedly Voted To Allow A Sales Tax Increase, Raising The Cost Of Everything From Toys And Clothes To Aspirin And Pet Food

On August 23, 2018, Gray Voted For AB 2920, A "Tahoe / Berkeley Sales Tax Increase," Costing Taxpayers $10 Million Annually. (AB 2920, Y: 49, N: 27, NVR: 4, Gray Voted Aye, California Legislative Information, 08/23/18; Vol. V, No. III, "Tax And Fee Report," California Tax Foundation, 10/9/18)



(AB 2920, Y: 49, N: 27, NVR: 4, Gray Voted Aye, California Legislative Information, 08/23/18; Vol. V, No. III, "Tax And Fee Report," California Tax Foundation, 10/9/18)

On August 31, 2018, Gray Voted For SB 152, A "Sonoma Sales Tax Increase," Costing Taxpayers $42 Million Annually. (SB 152, Y: 50, N: 28, NVR: 2, Gray Voted Aye, California Legislative Information, 8/31/18; Vol. V, No. III, "Tax And Fee Report," California Tax Foundation, 10/9/18)



(SB 152, Y: 50, N: 28, NVR: 2, Gray Voted Aye, California Legislative Information, 8/31/18; Vol. V, No. III, "Tax And Fee Report," California Tax Foundation, 10/9/18)

On May 25, 2022, Gray Voted For AB 2453, A "Sales Tax Increase In Ventura County," Costing Taxpayers $89.9 Million Annually. (AB 2453, Y: 48, N:23, NVR: 7, Gray Voted Aye, California Legislative Information, 05/25/22; Vol. IX, No. 3, "Tax and Fee Report," California Tax Foundation, 11/04/22)

AB 2453
SALES TAX INCREASE IN VENTURA COUNTY

$89.9 MILLION

Vote Required: Majority
Version Reviewed: Amended – 5/5/2022
Status: Chaptered – 9/13/2022

AB 2453 (Bennett) authorizes the Ventura County Transportation Commission to increase its sales tax up to 0.5 percent, subject to voter approval.

Revenue Estimate: Assembly Revenue and Taxation Committee.

(AB 2453, Y: 48, N:23, NVR: 7, Gray Voted Aye, California Legislative Information, 05/25/22; Vol. IX, No. 3, "Tax and Fee Report," California Tax Foundation, 11/04/22)

Products Subject To The Sales Tax Include Toys, Clothes, Over-The-Counter Drugs And Pet Food. (California Department of Tax and Fee Administration Website, www.cdtfa.ca.gov, Accessed 11/10/25)

Taxable Sales

Sales tax generally applies to sales of:

- Alcoholic beverages
- Books and publications
- Cameras and film
- Carbonated and effervescent water
- Carbonated soft drinks and mixes
- Cigarettes and tobacco products
- Clothing
- Cosmetics
- Dietary supplements
- Drug sundries, toys, hardware, and household goods
- Fixtures and equipment used in an activity requiring the holding of a seller's permit, if sold at retail
- Food sold for consumption on your premises
- Hot prepared food products (see Hot Prepared Foods)
- Ice
- Kombucha tea, if alcohol content is 0.5% or greater by volume
- Medicated gum, such as Nicorette or Aspergum
- Newspapers and periodicals
- Nursery stock
- Over-the-counter medicines, such as aspirin, cough syrups, cough drops, or throat lozenges
- Pet food and supplies
- Soaps or detergents
- Sporting goods

(California Department of Tax and Fee Administration Website, www.cdtfa.ca.gov, Accessed 11/10/25)

Payroll Tax

Adam Gray Voted To Increase Taxes On Workers In California

On August 22, 2022, Gray Voted For SB 951, A "Payroll Tax Increase," Costing Taxpayers $3 Billion Annually. (SB 951, Y: 61, N: 9, NVR: 10, Gray Voted Aye, California Legislative Information, 08/22/22; Vol. IX, No. 3, "Tax and Fee Report," California Tax Foundation, 11/04/22)

SB 951
PAYROLL TAX INCREASE

$3 BILLION

Vote Required: Majority
Version Reviewed: Amended – 8/15/2022
Status: Chaptered – 9/30/2022

SB 951 (Durazo) increases a payroll tax on California employees by repealing the wage ceiling for workers' "contributions" into the State Disability Insurance (SDI) fund, thereby making all wages subject to the SDI tax rate beginning in 2024. Revenue from the tax increase will be used to fund a paid family leave program for California residents and increase the benefits provided to disabled workers. In 2022, the taxable wage ceiling is $145,600 and the tax rate is 1.1 percent.

Revenue Estimate: Assembly Appropriations Committee.

(SB 951, Y: 61, N: 9, NVR: 10, Gray Voted Aye, California Legislative Information, 08/22/22; Vol. IX, No. 3, "Tax and Fee Report," California Tax Foundation, 11/04/22)

The Legislation Raised Taxes On The Wages Of California Workers. "California's state disability insurance (SDI) program — funded by a tax paid by employees through wage withholding — increased in two ways on January 1. First, the SDI rate increased from 0.9 percent in 2023 to 1.1 percent in 2024; and second, the taxable wage cap ($153,164 in 2023) was eliminated as a result of SB 951 (Ch. 22-878)." (Gina Rodriquez, "New Year Brings Higher Taxes On California Employees And Employers," CalTax, 1/12/24)

- **"Under SB 951, Enacted In 2022 And Effective January 1, 2024, The Contribution Limit (Wage Cap) Applicable To California's State Disability Insurance (SDI) Tax Is Removed, Resulting In SDI Tax On All Taxable Wages. California SDI Taxes Are Paid By Employees. For 2023, The Contribution Rate Is 0.9% On Annual Wages Up To $153,164 For A Maximum Contribution Of $1,378.48."** ("California Will Require State Disability Insurance Contributions On All Covered Wages Starting In 2024," Ernst & Young, 6/26/23)

One Big Beautiful Bill Tax Cuts

Gray Voted Against The One Big Beautiful Bill Act

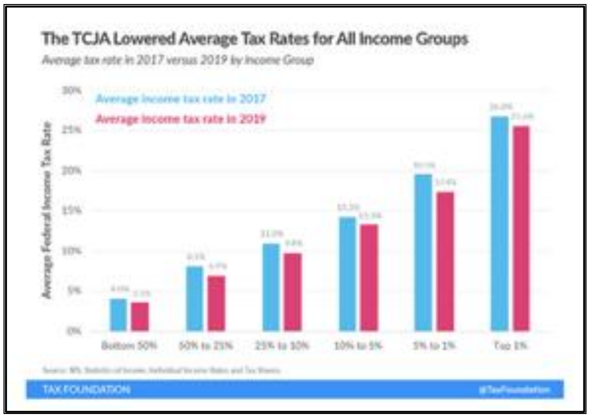
On May 22, 2025, Gray Voted Against H.R. 1, The One Big Beautiful Bill Act. "Passage of the bill that would provide for approximately $3.8 trillion in net tax cuts and $321 billion in military, border enforcement and judiciary spending, offset by $1.5 trillion in spending reductions, as instructed in the fiscal 2025 budget resolution (H Con Res 14). It would raise the statutory debt limit by $4 trillion and provide for increased spending on defense and border security, spending cuts on social safety net programs, such as Medicaid and the Supplemental Nutrition Assistance Program. It also includes a mix of tax breaks for businesses and individuals; tax increases on universities and foundations; and a phase-down of clean energy tax credits. It would reduce spending on Medicaid by $625 billion over a 10-year period and modify eligibility and cost provisions for enrollees and health providers and impose work, volunteer and education requirements on adults ages 19 to 64 who are covered by the program. It would appropriate "such sums as necessary" for reducing cost-sharing payments for low-income individuals who've purchased "silver" plans on the 2010 health care law's exchanges. But payments to plans that cover abortions would be mostly barred. It would extend and make permanent individual tax brackets and rates included in the 2017 tax overhaul law (PL 115-97) and provide for the adjustment of the lower bounds of each tier based on inflation. It would reduce federal spending on the Supplemental Nutrition Assistance Program by requiring states to shoulder more of the cost, expand work requirements for SNAP, extend programs authorized under the 2018 farm bill, and prohibit the U.S. Department of Agriculture from increasing the cost of the Thrifty Food Program. As amended, it would cap state and local tax deductions at $40,000 for households with incomes below $500,000 and prohibit Medicaid funding for gender transition therapies or procedures for minors and adults, among other provisions." (H.R. 1, Roll Call #145, Passed: 215-214-1-2; R:215-2-1; D:0-212; Gray Voted Nay, 5/22/25; CQ, Accessed: 6/10/25)

Extending The 2017 Tax Cuts

<u>The One Big Beautiful Bill Act, Which Extended The 2017 Trump Tax Cuts, Prevented The Average Person In California A $3,769 Tax Increase</u>

The One Big Beautiful Bill Act Makes The 2017 Tax Cuts Permanent. "Republicans look to make permanent the individual income and estate tax cuts passed in Trump's first term, in 2017, plus enact promises he made on the 2024 campaign trail to not tax tips, overtime and interest on some auto loans." (Kevin Freking and Lisa Mascaro, "House Republicans Narrowly Passed Trump's 'Big, Beautiful' Bill. Here's What's In It," PBS, 5/22/25)

The Tax Cuts And Jobs Act Lowered The Average Tax Rates For All Income Groups. ("Tax Cuts And Jobs Act (TCJA)," Tax Foundation, Accessed: 2/26/24)

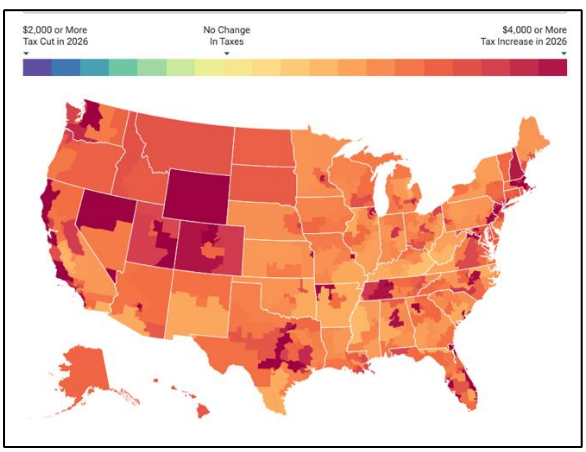


("Tax Cuts And Jobs Act (TCJA)," Tax Foundation, Accessed: 2/26/24)

In April 2019, The New York Times Reported That The 2017 Tax Bill Cut Taxes For A Large Majority Of Americans. "If you're an American taxpayer, you probably got a tax cut last year. And there's a good chance you don't believe it. Ever since President Trump signed the Republican-sponsored tax bill in December 2017, independent analyses have consistently found that a large majority of Americans would owe less because of the law. Preliminary data based on tax filings has shown the same." (Ben Casselman and Jim Tankersley, "Face It: You (Probably) Got A Tax Cut," *The New York Times*, 4/14/19)

The House Bill Provided $4.5 Trillion To Extend The 2017 Tax Cuts And Jobs Act Provisions, Which Are Set To Expire At The End Of 2025. "As written, the House bill also provided $4.5 trillion to extend President Donald Trump's 2017 Tax Cuts and Jobs Act provisions, which expire at the end of this year." (Elizabeth Elkind, "Trump Budget Bill Extending First-Term Tax Cuts Survives House Vote," Fox News, 2/25/25)

According To The Tax Foundation, The Expiration Of The Tax Cuts And Jobs Act Tax Provisions Would On Average Raise Taxes In California By $3,769. (Garrett Watson and Erica York, "Expiring TCJA Tax Provisions In 2026 Would Produce Substantial Tax Hike Across The US," Tax Foundation, 5/7/24)



(Garrett Watson and Erica York, "Expiring TCJA Tax Provisions In 2026 Would Produce Substantial Tax Hike Across The US," Tax Foundation, 5/7/24)

The One Big Beautiful Bill Act Made The 2017 Tax Changes Permanent. "The OBBBA makes the 2017 tax changes permanent, including the larger standard deduction, more generous child tax credit (CTC), lower ordinary tax rates, and tighter limitations to certain itemized deductions such as the deduction for home mortgage interest (HMID). Permanence for TCJA-related individual provisions makes up most of the value of the tax cuts in the OBBBA." (Garrett Watson, "FAQ: The One Big Beautiful Bill, Explained," Tax Foundation, 7/23/25)

On July 3, 2025, Gray Voted Against Final Passage Of H.R. 1, The One Big Beautiful Bill Act. (H.R. 1, Roll Call #190, Passed: 218 – 214; R: 218 – 2; D: 0 – 212; Gray Voted No, 7/3/25)

Child Tax Credit

The One Big Beautiful Bill Makes Permanent The Child Tax Credit From The 2017 Tax Cuts And Job Act Which Is Claimed By Millions Of Families. "The current $2,000 Child Tax Credit, claimed by over forty million families, is permanently extended." (Mike Palicz, "List Of Tax Cuts In The Big, Beautiful Bill," Americans for Tax Reform, 6/2/25)

The One Big Beautiful Bill Also Temporarily Increases The Maximum Allowable Credit For Families. "If enacted, the House bill would make permanent the maximum $2,000 credit passed via the Tax Cuts and Jobs Act, or TCJA, of 2017. Without action from Congress that tax break will revert to $1,000 after 2025. The House bill would make the highest child tax credit $2,500 from 2025 through 2028. After that, the credit's top value would revert to $2,000 and be indexed for inflation. (Kate Dore, "House Republican Budget Bill Boosts Maximum Child Tax Credit To $2,500 – Here's Who Qualifies," CNBC, 5/22/25)

No Tax On Tips

The One Big Beautiful Bill Act Contains A Provision That Allows For A Tax Deduction For All Tips Received. "(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified tips received during the taxable year that are included on statements furnished to the by the taxpayer on Form 4137 (or successor)." (H.R. 1, Introduced: 5/20/25)

The One Big Beautiful Bill Act Contains A Provision That Would Eliminate Federal Income Taxes On Tips For Individuals Earning Less Than $160,000. "It would create a new tax deduction eliminating federal income taxes on tips for people working in jobs that have traditionally received them, as long as they make less than $160,000 in 2025. The Trump administration would publish a list of qualifying occupations within 90 days of the bill's signing." (Wyatte Grantham-Phillips and Jonathan J. Cooper, "What To Know About 'No Tax On Tips,' Trump's Tax Pledge That's In The GOP Budget Bill," PBS, 5/22/25)

According To The Tax Policy Center, The Removal Of Income Tax On Tips Would Give Tipped Workers An Average Tax Cut Of $1,800. "Even among tipped workers, benefits would be limited. TPC estimated only about 60 percent of households with tipped workers would benefit if they could deduct tips from taxable income. Their average tax cut: about $1,800." (Howard Gleckman, "Exempting Tips From Federal Income Tax Would Benefit Very Few Workers," Tax Policy Center, 9/19/24)

Leaving Out Those Who Already Don't Pay Federal Income Tax, Roughly 63% Of Tipped Workers Would See A Reduction In Their Tax Burden. "For many low-income Americans, payroll taxes, rather than the income tax, are the biggest taxes they pay. Roughly 37 percent of tipped workers already don't owe any federal income tax, according to an estimate from the Budget Lab at Yale." (Alicia Parlapiano and Andrew Durden, "An Illustrated Guide To Who Really Benefits From 'No Tax On Tips'," *The New York Tines*, 6/5/25)

No Tax On Overtime

The One Big Beautiful Bill Act (OBBA) Contains A Provision That Allows For A Tax Deduction For All Qualified Overtime Pay. "'(a) IN GENERAL.—There shall be allowed as a deduction an amount equal to the qualified overtime compensation received during the taxable year." (H.R. 1, Introduced: 5/20/25)

HEADLINE: "Work Overtime? You May Soon Get a Tax Cut." (Andrew Duehren, "Work Overtime? You May Soon Get A Tax Cut.," *New York Times*, 6/6/25)


Work Overtime? You May Soon Get a Tax Cut.

Once a seemingly offhand remark at a campaign rally, President Trump's pledge to not tax overtime could become federal law.

(Andrew Duehren, "Work Overtime? You May Soon Get A Tax Cut.," *New York Times*, 6/6/25)

The Tax Break Would Be Available To Almost All American Workers Who Work Overtime And Are Paid An Hourly Wage. "Under the sprawling domestic policy bill that Republicans pushed through the House and are preparing to steer through the Senate, the tax break would be limited. It would be available only to Americans who, under federal law, must be paid at a time-and-a-half rate for working any time exceeding 40 hours in a week. That's a broad group that includes almost all Americans who are paid an hourly wage, but many salaried workers would not be eligible." (Andrew Duehren, "Work Overtime? You May Soon Get a Tax Cut.," *New York Times*, 6/6/25)

The White House Counsel Of Economic Advisers Estimates That The Average Overtime Worker Would Get Their Tax Burden Lowered By Between $1,400 And $1,750 Per Year. "The White House Council of Economic Advisers — who work for Trump — estimated that the average overtime worker would get a tax break of $1,400 to $1,750 per year until it expired in 2028." (Ryan Teague Beckwith, "Has The Overtime Tax Exemption Passed? Here's Where Things Stand,' NBC News, 5/30/25)

The Institute On Taxation And Policy Estimates It Would Save Overtime Workers An Average Of $330, With A Range Of $80 To $940. "But An Analysis From The Institute On Taxation And Economic Policy Pegged The Average Tax Savings at a much lower $330 per year. What's more, it found that it would benefit higher-income workers more, with the bottom 60% snagging an average of $80 and the top 20% pocketing an average of $940." (Ryan Teague Beckwith, "Has The Overtime Tax Exemption Passed? Here's Where Things Stand,' NBC News, 5/30/25)

The Provision Eliminating Taxes On Overtime Was Supported By Law Enforcement, Which Claimed It Would Help With Officer Retention And Morale

HEADLINE: "Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination" (Emma Colton, "Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination," Fox News, 5/19/25)


POLICE AND LAW ENFORCEMENT

Trump's 'big, beautiful bill' wins support from police for overtime tax elimination

Officers say the tax break would improve retention and provide financial relief for law enforcement families

By Emma Colton · Fox News

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(Emma Colton, "Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination," Fox News, 5/19/25)

Law Enforcement Supported The Provision Eliminating Taxes On Overtime Work And Claimed It Would Have A Positive Impact On Officer Retention And Morale. "FIRST ON FOX: Police officers are rallying behind a provision in President Donald Trump's 'big, beautiful bill' to end taxing overtime work, which they say would have a favorable ripple effect on officer retention and morale." (Emma Colton, "Trump's 'Big, Beautiful Bill' Wins Support From Police For Overtime Tax Elimination," Fox News, 5/19/25)

SALT Cap

The One Big Beautiful Bill Act Contains A Provision That Increases The State And Local Tax (SALT) Deduction To $40,000. " '(A) IN GENERAL.—In the case of an individual, no deduction shall be allowed for— '(ii) any specified taxes to the extent that such taxes for such taxable year in the aggregate exceed— "(I) half the dollar amount in effect under subclause (II), in the case of a married individual filing a separate return, and 3 '(II) $40,400, in the case of any other taxpayer.'" (H.R. 1, Introduced: 5/20/25)

The One Big Beautiful Bill Act Would Increase The SALT Deduction Cap From $10,000 To $40,000 For Those Making Less Than $500,000 Annually. "The House-passed OBBBA would increase the existing $10,000 cap on the state and local tax (SALT) deduction to $40,000 for individuals and couples making less than $500,000 per year. It would also put some limits on existing SALT workarounds that currently count capped personal taxes as uncapped business taxes and would limit the value of the SALT deduction to the 32 percent rate for the highest earners." (Committee for a Responsible Budget, "Five Ways the Senate Can Improve OBBBA," *Press Release*, 5/29/25)

The One Big Beautiful Bill Act's SALT Deductions Are Also Set To Increase By 1 Percent From 2026-2033. "In 2026, the cap is set to $40,400 ($20,200 for a married taxpayer filing a separate return) and the adjusted gross income phase-down amounts increase to $505,000 and $252,500, respectively, and the phase-down percentage remains 30%. Additionally, the cap and phase-out amounts would increase by 1% each year from 2027-2033, staying permanent after 2033." ("Bill Limits SALT Deductions For Some Financial And Professional Services Firms," RSM, 5/27/25)

SALT Deductions Allow For Taxpayers To Deduct Certain Taxes Paid To State And Local Governments From Their Federal Taxes. "The state and local tax (SALT) deduction permits taxpayers who itemize when filing federal taxes to deduct certain taxes paid to state and local governments. The Tax Cuts and Jobs Act (TCJA) capped it at $10,000 per year, consisting of property taxes plus state income or sales taxes, but not both." ("State And Local Tax (SALT) Deduction," Tax Foundation, Accessed: 6/11/25)

SALT Deductions Are Beneficial To Those Living In States With High Local Taxes, Like Massachusetts, New Jersey, New York, And California. "In 2020, the SALT deduction was claimed on just 8.6% of all federal tax returns, according to the Tax Policy Center. But the incidence of people claiming it was most concentrated in 13 states and the District of Columbia. The deduction was claimed on more than 20% of returns from Maryland and Washington, DC; and on 10% to 20% of returns filed by residents of California, Colorado, Connecticut, Georgia, Hawaii, Massachusetts, New Jersey, New York, Oregon, Utah, Virginia and Washington State. And those who have received the biggest break — both before and after the cap was imposed — are high-income filers, especially those in high-tax states and cities." (Jeanne Sahadi and Tami Luhby, "Who Benefits Most From The State And Local Tax Deduction And Why Raising The Cap Is Contentious," CNN, 5/21/25)

Death Tax

The One Big Beautiful Bill Act Contains A Provision That Increases The Estate And Gift Tax Exemption Amounts From $5,000,000 To $15,000,000. "(a) IN GENERAL.—Section 2010(c)(3) is amended— (1) in subparagraph (A) by striking '$5,000,000' and inserting '$15,000,000'" (H.R. 1, Introduced: 5/20/25)

The Current Estate Tax Exemption Of $13,990,000 Was Set To Be Halved To Approximately $7,000,000 As Part Of The Expiration Of The 2017 Trump Tax Cuts Prior To Its Extension In OBBA. "Currently, the gift and estate tax exemption for individuals is $13.99 million (a combined $27.98 million for married couples). However, this lofty exemption amount, created by the Tax Cuts and Jobs Act (TCJA), was not designed to be permanent. The TCJA called for the provision to 'sunset' at the end of 2025. Unless Congress extends it, on January 1, 2026, the exemption will be cut roughly in half to approximately $7 million for each individual (adjusted for inflation)." (Azumwa Omietimi, "Gift And Estate Tax Changes On The Horizon: Are You Prepared?," ORBA, 4/29/25)

Without This Exemption Increase, An Individual With A $10,000,000 Estate Would Go Instantly From Owing No Tax To $1,350,000 In Taxes. "January 1, 2026, the exemption will be cut roughly in half to approximately $7 million for each individual (adjusted for inflation). In addition, the gift and estate tax rate above the exemption will increase from 40% to 45%...Suppose, for example, that you have an estate worth $10 million at the end of 2025. Assuming the exemption drops to $7 million on January 1, 2026, your potential estate tax will have gone from zero to $1.35

million overnight [($10 million – $7 million) x 45%].” (Azumwa Omietimi, “Gift And Estate Tax Changes On The Horizon: Are You Prepared?,” ORBA, 4/29/25)

This Raise In The Estate Tax Exemption Helps Farmers, As If The Exemption Was Allowed To Expire And Be Halved, Twice As Many Farms Would Have To Pay Estate Taxes. “Just last year, USDA estimated that if the estate tax exemption reverts to its pre-TCJA level, nearly twice as many farms in every sales class would have to pay estate taxes.” (Samantha Ayoub, “2025 Tax Cliff: ‘Death Taxes’ Threaten Farm Families,” Farm Bureau, 4/21/25)

An Expiration Of The 2017 Trump Tax Cuts And Halving Of The Estate Tax Exemption Would See Farm Households’ Estate Tax Liabilities Increase By $647 Million Instantly. **“**The authors estimate that the expiration of the temporary provisions of the ARPA and TCJA would increase farm households’ Federal income tax liabilities by $8.9 billion and estate tax liabilities by $647 million the year following expiration.” (Tia M. McDonald and Ron Durst, “An Analysis Of The Effect Of Sunsetting Tax Provisions For Family Farm Households,” USDA, 2/24)