Even With Families Facing Record Prices For Gas, Groceries, And Housing, Elaine Luria Would Make It Harder For Working Families. She'd Vote For The Largest Tax Increase In American History, Tax Hikes That Would Cost Virginia Families $3,600 A Year.

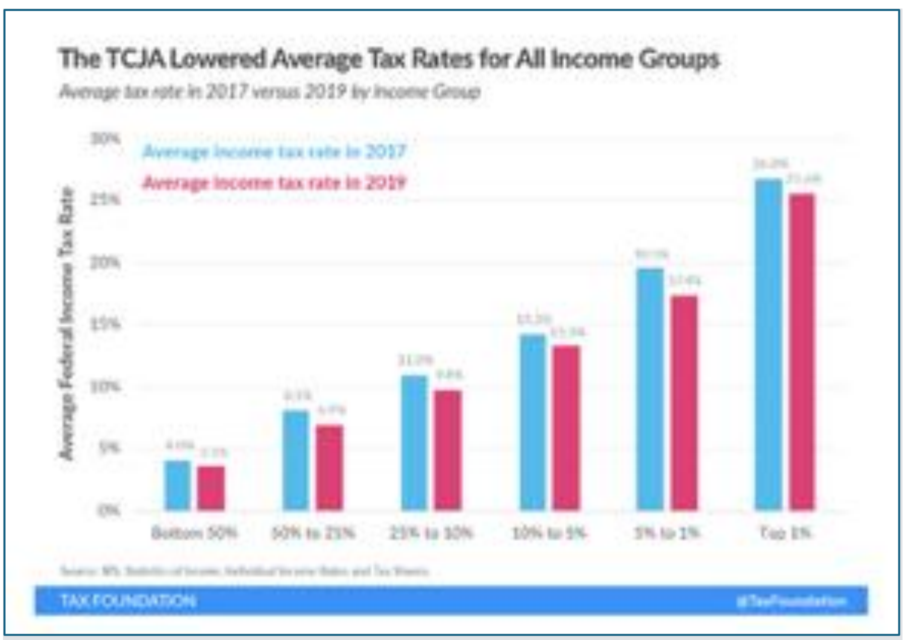
Luria Opposed Congresswoman Jen Kiggans' Vote For The One Big Beautiful Bill Act, Which Cut Taxes On Tips, Overtime, And Social Security As Well As Permanently Extended The Tax Cuts And Jobs Act's Income Tax Cuts

In Her Campaign Announcement, Luria Specifically Pointed Out Her Opposition To Congresswoman Jen Kiggans' Vote For The One Big Beautiful Bill Act As A Reason That She Entered The Race. "In her campaign announcement, Luria wrote Kiggans has 'established a pattern of promising Virginians one thing in public, only to turn around and vote the other way in Washington.' She pointed specifically to Kiggans' vote on the Big Beautiful Bill, which cut health care subsidies, despite Kiggans previously saying she could not support a federal budget that 'come(s) at the expense of those who depend on these benefits for their health and economic security.' … 'I cannot sit back and watch as Republicans in Congress create chaos while failing to address the rising cost of living and the issues that matter to Coastal Virginians,' Luria wrote in her campaign announcement." (Mechelle Hankerson, "Former US Rep. Elaine Luria Announces Run For Her Old Congressional Seat," VPM, 11/12/25)

Extending the 2017 Tax Cuts

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)

The Bill Would Prevent Tax Increases On 62% Of Taxpayers. "Overall, the bill would prevent tax increases on 62 percent of taxpayers that would occur if the TCJA expired as scheduled. However, by introducing narrowly targeted new provisions and sunsetting the most pro-growth provisions, like bonus depreciation and research and development (R&D) expensing, it leaves economic growth on the table and complicates the structure of the tax code." (Garrett Watson, Erica York, Alex Muresianu, Alex Durante, Huaqun Li, Peter Van Ness, Aleksei Shilov, and William McBride, "'One Big Beautiful Bill Act" House GOP Tax Plan: Details And Analysis," Tax Foundation, 6/6/25)

Child Tax Credit

The One Big Beautiful Bill Act Increases The 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 Would Eliminate Income Taxes On Tipped Wages For Those Making Less Than $160,000, Saving The Average Tipped Worker Approximately $1,800 Annually

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; CBS News, 5/15/25)

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

<u>The One Big Beautiful Bill Act Would Reduce Taxes On Overtime Pay, Saving The Average Overtime Worker Between $1,400 And $1,750 Per Year</u>

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; CBS News, 5/15/25)

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)

(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)

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

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)

(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 Would Increase The SALT Cap Deduction

NOTE: *"SALT" is an abbreviation for the State and Local Tax Deduction.*

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)

- **According To The Bipartisan Policy Center, As Of The 2022 Tax Year, Virginia Was The Fifth Highest State By Percentage Of Taxpayers Claiming The SALT Deduction.** "Which states have the highest share of taxpayers claiming SALT? One way to measure the SALT cap's impact is to look at which states have the highest share of taxpayers claiming the deduction. The higher the share of taxpayers claiming the SALT deduction, the greater the chance that the

$10,000 cap impacts both a larger share of households and that such households are higher-income and incentivized to itemize deductions in lieu of claiming the standard deduction. (For context, according to the IRS, only 7% of taxpayers making under $200,000 itemized deductions in 2022, compared to 38% of taxpayers making over $200,000.) In 2022, the most recent year for which tax data is available, the top five states were: Washington, D.C.: 20.3% of taxpayers Maryland: 19.8% California: 15.3% Utah: 13.7% Virginia: 13.5%" (Andrew Lautz and Rachel Snyderman, "Which States Benefit The Most From The SALT Deduction?" Bipartisan Policy Center, 5/16/25)

Death Tax

<u>The One Big Beautiful Bill Act Would Increase The Exemption For The Death Tax</u>

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)

Child Savings Accounts

<u>The One Big Beautiful Bill Act Would Create A New Savings Account For American Children And Allow Those Born After 2024 To Receive An Initial $1,000 To Fund Said Savings Account</u>

The One Big Beautiful Bill Act Contains A Provision For Trump Accounts, Which Are Savings Accounts For Children To Be Used For Education, Home Payments, Or Business Capital. "Under the proposal, 'Trump Accounts' — previously known as 'Money Accounts for Growth and Advancement' or 'MAGA Accounts' — can later be used for education expenses or credentials, the down payment on a first home or as capital to start a small business." (Jessica Dicker, "Tax Bill Includes $1,000 Baby Bonus In 'Trump Accounts' – Here's Who Eligible," CNBC, 5/22/25)

Citizen Children Born Between December 31, 2024, And January 1, 2029, Would Be Eligible For A $1,000 Deposit From The Federal Government Into Their Account. "(a) IN GENERAL.—In the case of any taxpayer with respect to whom an eligible individual is a qualifying child, there shall be allowed a one-time credit of $1,000 with respect to each such eligible individual who is a qualifying child of such taxpayer which shall be payable by the Secretary only to the Trump account with respect to which such eligible individual is the account beneficiary… (c) ELIGIBLE INDIVIDUAL.—For purposes of subsection (a), the term eligible individual means an individual— '(1) who is born after December 31, 2024, and before January 1, 2029,' and '(2) who is a United States citizen at birth.'" (H.R. 1, Introduced: 5/20/25)

The Accounts Are Tax Deferred And Allow Parents To Contribute An Additional $5,000 A Year To The Account, Which Is Distributed At Age 18. "The tax-deferred accounts, which track the overall U.S. stock market, allow additional contributions of up to $5,000 per year. The seed money will be funded by the Treasury Department and controlled by the child's guardians. Funds can be distributed once the beneficiary turns 18." (Kevin Breuninger, "Trump, Ceos Promote Savings Plan For Newborns," CNBC, 6/9/25)

Assuming A 4% Rate Of Return, A Fully Funded Trump Account Would Be Worth $130,000 By The Time A Child Turns 18. "If a lower-income family added no money to their Trump account, after 18 years that $1,000 would have grown to around $2,000, if we assume a generous 4% rate of return…Assuming a family put the maximum $5,000 per year into the account, that would add up to more than $130,000 at age 18 and more than $210,000 at age 30." (Ryan Teague Beckwith, "The 'Trump Accounts' Have A Silly Name. But They're A Good Idea Anyway.," MSNBC, 5/27/25)