June 2, 2026

Chairman Mike Kelly
Subcommittee on Tax
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Ranking Member Mike Thompson
Subcommittee on Tax
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NWLC Written Statement for U. S. House of Representatives, Committee on Ways and Means, Tax Subcommittee Hearing on *Your Paycheck, Returned: How the Working Families Tax Cuts Delivered for Americans*

Dear Chairman Kelly and Ranking Member Thompson,

The National Women's Law Center (NWLC) appreciates the opportunity to submit this written statement for the record for the May 20, 2026 Tax Subcommittee Hearing on *Your Paycheck, Returned: How the Working Families Tax Cuts Delivered for Americans.*

NWLC fights for gender justice—in the courts, in public policy, and in our society—working across the issues that are central to the lives of women and girls. We use the law in all its forms to change culture and drive solutions to the gender inequity that shapes our society and to break down the barriers that harm all of us—especially women of color, LGBTQ people, and women and families with low incomes.

H.R. 1, also known as the "One Big Beautiful Bill Act," made historic cuts to vital programs that women and families rely on, in order to provide trillions of dollars in tax cuts to billionaires and big corporations and unprecedented funding for mass immigration detention and enforcement. These drastic cuts disproportionately hurt women-headed families and families of color, who are more likely to depend on basic needs programs to make ends meet.[1] While supporters of the law celebrate certain tax provisions as "pro-family" and "pro-worker,"[2] these provisions largely benefit higher income families, increase gender and racial inequities, and do not mitigate the overall harm the law inflicts on the families who most need support.

H.R. 1 made drastic cuts to key programs women and families rely on, including Medicaid and SNAP.

H.R. 1 made historically deep cuts to Medicaid, the Supplemental Nutrition Assistance Program (SNAP), and other basic needs programs, in order to offset some of the cost of its tax cuts for the wealthy and corporations. Because women—especially women of color—are particularly likely to face caregiving responsibilities, low wages, and economic barriers caused by gender and racial inequality,[3] they disproportionately rely on basic needs programs to support themselves and their families. Over 18 million women receive health care coverage through Medicaid, and the majority of Medicaid adult enrollees are women.[4] Similarly, women are the majority (58%) of adult SNAP recipients, and about one in three (33%) adult SNAP recipients is a woman of color.[5]

The cuts to Medicaid—roughly a trillion dollars over the next decade—will strip many women and their families from access to life-saving health care and services. The law imposes new work reporting requirements that will make it more difficult for people to retain their health coverage—even though most Medicaid recipients who are able to work, do work.[6] People with caregiving responsibilities are not fully exempted from the work reporting requirements,[7] which will disproportionately harm women, who are more likely to shoulder caregiving responsibilities. Along with other eligibility requirements, the law's changes to Medicaid will lead to about 10 million people (an eighth of enrollees) losing their coverage by 2034.[8] There are estimates that between about five to 10 million people will lose Medicaid coverage in just 2028 due to work requirements and more frequent eligibility check.[9] Furthermore, the law did not extend the enhanced Affordable Care Act premium tax credits, which help families with low incomes afford health insurance premiums. This will cause roughly another 4 million people to lose coverage.[10]

The law also slashed SNAP by an estimated $186 billion over the next 10 years (about 20% of the program's total funding).[11] The law imposes new work reporting requirements, which, as with Medicaid, will disproportionately hurt women-headed families. However, every family that depends on SNAP will feel some impact from H.R. 1 by the time the law's provisions are fully implemented, because H.R. 1 made changes to the benefits calculation that will prevent SNAP benefits from keeping pace with the rising cost of food.[12] Overall, about four million people will see major reductions to their SNAP benefits—or lose them altogether.[13]

Additionally, the law slashes federal Medicaid and SNAP funding to states and shifts some administrative costs onto states. Many state governments are required to balance their budgets and will not be able to make up the difference. The massive loss of federal Medicaid dollars is already prompting state lawmakers to propose cuts to critical care services for vulnerable families, including home- and community-based services for people with disabilities and older adults.[14] Similarly, the nonpartisan Congressional Budget Office (CBO) estimates that between 2028 and 2034, states will reduce or eliminate SNAP benefits for about 300,000 people in a typical month in response to H.R. 1's cost shift.[15]

Many families are already feeling the impact of H.R. 1's cuts to SNAP and Medicaid, even before they are fully implemented. Hospitals and clinics are already closing due to the anticipated cuts to Medicaid funding, including those in rural and medically underserved areas.[16] One report estimates that an additional 446 hospitals are at risk of closing or reducing services by the time the Medicaid cuts are fully implemented, endangering the 6.6 million patients these hospitals serve and the 275,000 direct patient care workers they employ.[17] Similarly, the SNAP cuts that went into immediate effect are already causing families to lose access to critical food assistance. USDA data shows that between July 2025—when H.R. 1 was passed into law—and February 2026, 3.5 million fewer people nationwide participated in SNAP.[18]

While the massive cuts to Medicaid and SNAP have received the most political and media attention, it is worth noting that H.R. 1 made cuts to other critical programs that women and their families rely on, including by eliminating federal funding for Planned Parenthood and making cuts to federal loan assistance for higher education. Twenty-three health centers operated by Planned Parenthood have already been forced to close as of March 2026 because of the removal of federal funding, leaving thousands of people—disproportionately women—with nowhere to go for essential health care, including cancer screening, STI testing, and contraception.[19] The law also makes accessing higher education more expensive, including by forcing millions of current loan borrowers to move to more expensive repayment plans, which will increase their student loans on average by more than $3,400 a year, and eliminating Graduate PLUS loans, which most impacts students of color and students from low-income backgrounds.[20]

<u>H.R. 1's tax breaks do not benefit families with low incomes and will reduce the revenues needed to fund programs and services that women and families rely on.</u>

Even with the historic cuts to Medicaid and SNAP, H.R.1's tax cuts for the wealthy and corporations are so large that they will reduce federal revenues by $4 trillion over the next decade.[21] The massive $4 trillion cost of the tax law will fall on low-income families, who largely do not benefit from the tax breaks, and will be harmed because the huge reduction in revenues means that programs and services that *do* benefit women and families will be underfunded.

The benefits from H.R. 1's tax breaks flow overwhelmingly to the wealthy and corporations. The law makes permanent a cut to the income tax rate paid exclusively by the top five percent of American households;[22] expands and makes permanent the pass-through deduction, a business tax break used by many high-income business owners, half the benefits of which goes to millionaires;[23] and increases the estate tax exemption amount, allowing wealthy married couples to pass along $30 million of wealth to their heirs tax-free.[24] While families with incomes in the lowest 10% will be worse off by $1,200 a year under H.R. 1 (including the cuts to SNAP and Medicaid, but without factoring in the effects of the Trump administration's tariffs[25]), the top 10% will receive on average an additional $13,600 per year.[26] This disparity becomes even more stark at the top of the income scale. In 2027, the top .01% will receive—on average—an additional $83,095.[27]

Not only do these tax breaks not benefit families with low incomes, they will also reduce the amount of revenue available to fund programs and services families rely on, much less make critical and overdue investments that will make life more affordable for families, including paid family and medical leave, child care, and the Child Tax Credit. For example, H.R. 1's permanent cut to the top income tax rate costs the U.S. government about $600 billion over 10 years, which would be enough to fund universal paid family and medical leave under the Family and Medical Insurance Leave (FAMILY) Act.[28] Additionally, the expansion of the pass-through business deduction cost roughly $800 over 10 years,[29] which would be enough to fund a universal child care program.[30] Finally, the law's changes to the estate tax cost roughly $200 billion over 10 years,[31] which would be enough to make the Child Tax Credit fully available to all low-income families on a permanent basis.[32]

Finally, in addition to funding massive tax breaks for those at the top, the $4 trillion law also dramatically increases funding for the administration's cruel deportation and detention agenda. This funding will enable the U.S. Enforcement and Immigration Agency (ICE) to escalate its horrific actions against immigrant families and communities, including kidnapping people off the street, killing community members, and leaving people in custody, where they are dying in unprecedented numbers.[33]

<u>Even the provisions characterized as "pro-family" and "pro-worker," fail to "deliver for Americans."</u>

Supporters of H.R. 1 claim that certain tax provisions in the law are intended to benefit workers and families. However, many of the provisions that supporters highlighted in the Tax

Subcommittee hearing—including the Child Tax Credit (CTC) expansion, the 530A accounts, and the "no tax on tips" provision—cannot accurately be described as "pro-worker" or "pro-family," because they largely benefit higher income families, increase gender and racial inequities, and do not reach the families who are struggling most.

The law increases the CTC by $200 for families making up to $400,000 per year (notably, the average household income is a little over $80,000[34]). However, the law does not change the credit's restrictions on low-income families, including its refundability cap, earned income requirement, or its phase-in rate. Because of these restrictions, 19 million children in low-income families are not able to receive the full Child Tax Credit, including roughly 45% of Black children and 60% of children in families headed by mothers.[35] This provision of H.R. 1 did nothing to help these families.

H.R. 1 also goes beyond the restrictions of prior law by excluding millions of previously eligible families from benefiting from the CTC at all. The law excludes 2.6 million children from immigrant families from the credit, most of whom are citizens and lawful permanent residents.[36] Overall, these changes to the CTC will decrease benefits for low-income children by an average of $100, making the credit actually worse for their families.[37]

Similarly, the 530A accounts (also known as "Trump Accounts") will largely benefit higher income families, and will not provide meaningful wealth-building opportunities for families with lower incomes. While the federal government will seed eligible accounts with one-time $1,000 contributions for babies born between 2025 and 2028, any further contributions to the accounts must come from families, employers, or philanthropists. Lower- and even middle-income families will likely will not have enough resources to contribute to their children's accounts, especially after H.R. 1's cuts to Medicaid and SNAP, the administration's tariffs, and the ill-considered war in Iran, which will raise gas prices, energy costs, and other expenses for millions of families.[38] In contrast, wealthier families will be able to contribute, and may also benefit from employer contributions.[39] Therefore, instead of helping low-income families grow wealth over time, these accounts will actually widen wealth gaps[40]—including the racial wealth gap.[41]

Finally, the "no tax on tips" provision—a deduction that eliminates federal income taxes on the first $25,000 of tip income for workers paid less than $150,000 a year—helps a very small percentage of workers. More than one-third of tipped workers have earnings so low that they are already exempt from income taxes.[42] Overall, only 3% of households benefit from this deduction.[43] Indeed, this deduction does not help the many struggling workers and their families who are in low-paid jobs but do not receive tips. Additionally, "no tax on tips" will not incentivize employers to increase wages for tipped workers, who are predominately women.[44]

Instead, employers will likely be incentivized to expand the share of workers' income that comes from tips[45]—an inherently less stable income source than wages and one that comes with an increased risk of wage theft, as well as harassment and discrimination from customers.[46] As a result, this provision actually does little, if anything, for the workers struggling the most.

These particular provisions do little to actually help workers and families. But even if they lived up to the hyperbole of H.R. 1's proponents, they could not counteract the generational harm wreaked by H.R. 1 as a whole.

Congress should reverse the cuts to basic needs programs, undo the tax cuts for the wealthiest, ensure that billionaires and big corporations pay their fair share in taxes, and invest in women and families.

In order to truly support workers and families, Congress should reverse the greatest harms of H.R. 1. This includes reversing the cuts to Medicaid and SNAP,[47] as well as restoring federal funding to Planned Parenthood and reversing changes to higher education loan assistance. Congress should also reverse H.R. 1's tax cuts and instead increase the taxes paid by the wealthy and corporations, to increase equity in the tax code and in our economy, reduce inequality, and expand the revenues available to invest in women, families, and communities.

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