Bill would add at least \$3.3T to debt, Budget Office says

BY ANDREW DUEHREN NYT News Service

WASHINGTON

The sprawling tax and health care bill that Senate Republicans are trying to pass would add at least \$3.3 trillion to the alreadybulging national debt over a decade, the nonpartisan Congressional Budget Office said Sunday, putting a far higher price tag on the measure than some of the party's fiscal hawks had indicated they could stomach.

The cost of the Senate bill, which Republicans rolled out overnight Friday and were still shaping Sunday, far exceeds the \$2.4 trillion cost of the version passed in the House, where lawmakers had insisted that the overall price of the bill not substantially change. But Senate Republicans still moved forward with a number of costly changes to the bill, including making prized tax breaks for business a permanent feature of the tax code.

With roughly \$29 trillion in debt currently held by the public, the budget office had already expected the government to borrow another \$21 trillion over the next decade,

meaning the Republican bill would make an already-dire fiscal forecast worse. And the initial estimate of a cost of \$3.3 trillion for the Senate bill is an undercount, because it does not include additional borrowing costs that could push the bill's overall addition to the debt closer to \$4 trillion.

That is the central complaint of hard-right Republicans who have resisted the measure and insisted on a lower cost. On Saturday night, a group of them demanding bigger cuts - including Sens. Ron Johnson of Wisconsin, Mike Lee of Utah, Cynthia Lummis of Wyoming and Rick Scott of Florida held out for four hours before agreeing to begin debate on the bill.

driving the cost of the Republican legislative effort is the extension of a series of tax cuts from 2017. Many of those tax cuts are set to expire this year, and extending them into the future represents a roughly \$3.8 trillion hit to the budget. Republicans have also piled some additional tax cuts on top, including versions of President Donald Trump's promises to not tax tips and overtime, bringing the

The main component

overall size of the Senate tax cut to roughly \$4.5 trillion.

To offset some of that cost, Republicans have also proposed deep cuts to the country's social safety net, particularly Medicaid. According to the CBO, the Senate version of the legislation would mean 11.8 million Americans lose their health insurance by 2034 as federal spending on Medicaid, Medicare and "Obamacare" (former President Barack Obama's health care law) is reduced by roughly \$1.1 trillion over that period.

To save more money, Johnson, who initially voted to block the bill Saturday night but later reversed himself to allow it to move forward, told reporters that he planned to propose an amendment that would cut Medicaid even further. But it was not clear whether it would have enough support to be adopted - or whether Johnson would support the

legislation if it failed. Republicans in the House had sought to limit the size of the tax cut by necessitating that its cost not be more than \$2.5 trillion larger than the total spending reductions. The Senate plan would miss that benchmark,

angering some conservatives in the House, where nearly every Republican would have to support the bill for it to pass.

Given the deep hole created by their plans, Senate Republicans have embraced an alternative way of thinking about budget costs. They have argued that the extension of the 2017 tax cuts should not be considered a new cost to the budget because they are currently in place. They have asked Washington's scorekeepers to evaluate the bill by ignoring the \$3.8 trillion cost of extending the tax cuts. By that metric, called the "current policy baseline," the bill would actually reduce deficits by roughly \$500 billion, the Congressional Budget Office said Saturday.

Switching to the alternative accounting method is critical for accomplishing another Senate Republican goal: making the 2017 Trump tax cuts permanent.

Republicans are using a special process, called reconciliation, to steer past Democratic opposition in the Senate. Reconciliation imposes a number of additional rules on lawmakers, though, including that they cannot add to the debt in the long term. Waving away the cost of the 2017 tax cuts would allow Republicans to make them permanent while still technically conforming to the Senate's rules.

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reductions in federal nutrition programs that would offset the cost of continuing the tax reductions have drawn fierce opposition from Democrats and made several Republicans uneasy. Republicans can only afford to lose three GOP votes on the bill, and two have already made clear their opposition, with others wavering.

One of the opponents, Sen. Thom Tillis, R-N.C., announced Sunday that he would not seek reelection next year after he came under harsh attack by Trump for his opposition to the bill. Tillis said he judged it would be too harmful to North Carolina's health care system for him to back, and he took to the floor late Sunday to assail the measure and Trump, warning that his party was "about to make a mistake" in slashing Medicaid and betraying the president's promise to protect it.

The other known GOP opponent, Sen. Rand Paul, R-Ky., scoffed at claims by fellow Republicans that the plan would not add significantly to the federal debt, noting that it includes a \$5 trillion increase in the federal debt

"That is an admission that they know they are not controlling the deficit," Paul said.

Republicans accused Democrats of misrepresenting the legislation, which they described as economic stimulus that would prevent a tax increase from hitting a large swath of Americans. They argued that the Medicaid reductions would return the program to its original purpose of helping poor families and knock ablebodied adults who could work off the rolls.

They also noted that besides extending the tax cuts from 2017, the legislation would provide new tax breaks such as working-class deductions for tips and overtime plus an expanded child tax credit, a larger standard deduction for some older Americans and one for buyers of new cars made in the United States.

"If the Trump tax cuts expire, taxpayers in all income groups would face massive tax hikes and the majority of the burden -\$2.6 trillion – would fall on taxpayers making less than \$400,000 per year,' said Sen. Mike Crapo, R-Idaho, chair of the Finance Committee. "This legislation prevents that outcome and delivers more than \$600 billion of new tax relief specifically

targeted to benefit lowand middle-income families and workers."

Senators were expected to begin a marathon series of rapid-fire votes on the bill Monday morning. Many of them were Democratic proposals with little hope of passing that were aimed at imposing maximum political pain on Republicans as they pushed through a measure that polls show is unpopular with the public. But some of the measures could reshape the package and help determine its fate, including one from Sen. Rick Scott, R-Fla., that would dramatically scale back the Medicaid expansion implemented through the Affordable Care Act.

The proposal would lower the share of medical bills paid by the federal government for childless adult Medicaid beneficiaries who sign up for the program after 2030, and could cause several states to abandon their Medicaid expansions. Deficit hawks have pressed for such a change, arguing that they could not support the bill unless it contained bigger spending cuts to curb federal deficits, but Republicans from politically competitive states have staunchly opposed it, and Speaker Mike Johnson promised his members he would not pursue it.

As debate opened Sunday, Democrats harshly criticized Republicans for employing a budget maneuver they said violated Senate rules and hid the true impact of the bill's tax cuts on the federal debt. Republicans unilaterally asserted that the tax cuts would not add to federal deficits since they are already in place, a break with past congressional accounting practices for tax cuts that were set to expire.

"It is fakery," said Sen. Ron Wyden of Oregon, the senior Democrat on the Finance Committee. "The budget numbers are a fraud, but the deficits will be very real. The prospect of a catastrophic debt spiral is very real."

Even if Senate Republicans managed to squeeze the bill through, its fate was uncertain in the other chamber of Congress. Hard-right conservatives in the House have raised the alarm about the deficit impact, and others have objected to the Medicaid cuts in the Senate measure, which are deeper than those approved last month by the House.

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SUPREME COURT

the death of 23-year-old Harlan, who was roughly 20 weeks pregnant when she was killed with a Sig brand 9-millimeter gun.

"The prosecution argued this matched the ammunition used by a gun Wash bought in December 2017," Biles wrote. "But that gun model was the highest selling firearm that Christmas, and the ammunition was popular and often recommended."

Police inferred Harlan died around 9:11 p.m. on Jan. 29, using data extracted from her phone that showed no movement after that time.

Four minutes before investigators believe Harlan was killed, her phone made an outgoing call to Wash that went to voicemail.

"GPS data shows his phone was in Kansas City, Kansas, at that time,"

Biles wrote. "These events suggest Wash was not present for the crime — if he was there, why would she call him?'

Wash called 911 to report finding Harlan's body the next day after entering the townhouse with his young daughter. Biles notes that police found no traces of iron on Wash's hands, despite blood stains indicating that someone moved Harlan's

In a concurring opinion, Justice Caleb Stegall criticized the majority opinion's characterization of prosecutors' overreach.

"I concur with the result because I agree the State failed to prove beyond a reasonable doubt that the identified prosecutorial errors were harmless. But I cannot join the majority opinion due to the unnecessary and unjustified



Ashley Harlan and Devonte Wash

excessive rhetoric deployed by the majority and designed to exact a pound of flesh from the district attorney," Stegall wrote.

The Kansas Attorney General's Office did not respond to a request for

comment on the Supreme Court's ruling Friday afternoon.

Matthew Kelly: 316-268-6203, @Matt Kelly22222



Nate Hubert, 32, was found safe after having been missing for a week, police said.

FROM PAGE 1A

WORKER

FEMA and had been in Cape Girardeau since June 9, according to his par-

ents. He lives in the River Market area of Kansas City and is a 2011 gradu-

\$34.99/week³

\$34.99/week

ate of Park Hill South High School in Riverside, Missouri.

Immediately after Hubert went missing, friends and family mobilized to search for him. Friends created a Facebook page

called "Find Nate Hubert" to share information, and it had over 3,000 members as of Monday. Friends also traveled to Cape Girardeau to distribute fliers and search along local roads.

According to friends and family, Hubert is kind, selfless, capable and adventurous. His best friend and college roommate, Scott MacDonald, said this is what made it easy for everyone to drop everything to try to find him.

"That's part of what was really motivating me and all of our friends this week knowing that if it were us — Nate would be doing all of this, and more, to try and help," MacDonald said.

The Star's Kendrick Calfee contributed.

BIRTHDAYS: JULY 1

🖫 Britannica

Biographical information from July 1 is from Encyclopaedia Britannica. Explore more at britannica.com.

Missy Elliott, American rapper and music producer (b. 1971). Diana, princess of Wales, British princess (b. 1961). Sydney Pollack, American director, producer, and actor (b. 1934). Olivia de Havilland, American actress (b. 1916).

Gottfried Wilhelm Leibniz, German philosopher and mathemat-

CORRECTIONS AND CLARIFICATIONS

A June 29 story about Diego Seguí incorrectly reported he died in Washington state. He actually passed away in Kansas City, Kansas.

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