United States
Conference of
Catholic Bishops

3211 Fourth Street, NE
Washington, DC
20017

202.541.3000
usccb.org

May 20, 2025

Dear Senator/Representative:

On January 13, we wrote to committee leadership regarding principles we hoped would shape budget reconciliation, especially regarding the impact on families. Now, we write to address the "One Big Beautiful Bill Act" soon coming before the House, both to commend certain important provisions, but also strongly to urge reconsideration of provisions that will harm the poor and disadvantaged, as well as our immigrant brothers and sisters.

As Pope Leo said recently, "In this our time, we still see too much discord, too many wounds caused by hatred, violence, prejudice, the fear of difference, and an economic paradigm that exploits the Earth's resources and marginalizes the poorest. For our part, we want to be a small leaven of unity, communion and fraternity within the world."

In this spirit, as pastors to all God's people, we offer our perspectives, and encourage each of you as elected leaders to make the changes necessary in this package so it truly supports the flourishing of families, without harming the poorest and most vulnerable, according to the following principles:

Protect human life and dignity. Fundamental to all of the priorities expressed in this letter is the sacredness of every human life, and the intrinsic dignity of the human person, created male and female, and made in the image and likeness of God. We therefore strongly support ending taxpayer subsidization of major abortion and "gender transition" providers like Planned Parenthood.

Care for the poor. According to the nonpartisan Joint Committee on Taxation (JCT) report on the distribution of the Chairman's Amendment in the Nature of a Substitute, this package will raise income taxes on the working poor while simultaneously providing a large tax cut for the wealthy. In order to help pay for the tax cuts, the bill cuts aspects of Medicaid, ACA premium tax credits, and SNAP. According to the Congressional Budget Office, the combined health provisions of the bill will cause more than 13 million people to lose their health insurance. The changes to SNAP will mean that millions will go hungry. At the time of this writing, negotiations are ongoing to take potentially more money from Medicaid and SNAP. These provisions are unconscionable and unacceptable.

Family formation and strengthening. Because refundability remains the same, the small expansion of the Child Tax Credit will only help middle- and high-income families, leaving behind the lowest-income children. The continued elimination of the personal exemption, coupled with a temporary increase of the standard deduction, will mean tax incentives will not favor larger families the way they did pre-2018. "MAGA" accounts that act like "baby bonds," a refundable adoption tax credit, and paid leave and childcare incentives for employers are helpful, though modestly so.

Adequate revenue for the sake of the common good and avoiding future cuts to poverty programs. As presently written, the House package will, by design, result in a nearly $3 trillion deficit over ten years – twice the cost of the Tax Cuts and Jobs Act which it seeks to extend. Even with the potential benefits of economic growth from individual and corporate tax cuts—which cannot be guaranteed—the poor should not be the ones to finance these changes, now or in the future.

Progressivity of the tax code. This bill raises taxes on the working poor while simultaneously providing tax breaks to the highest-income taxpayers. More than half of the $3 trillion deficit is from the continued virtual elimination of the Alternative Minimum Tax (AMT), which was designed to prevent high-income earners from avoiding tax liability through excessive use of credits and loopholes, and the raising of estate tax thresholds to $15 million. These benefits will go almost exclusively to the highest income households. The bill should be fixed so that the risks taken fall on those who stand to benefit most rather than on those who struggle on the margins of society.

Incentivize charitable giving and development. There is a modest improvement to encourage a culture of giving in the House bill. The reinstatement of a small "above-the-line" charitable deduction is positive, but it must be strengthened to address the fact that tax incentives for charitable giving are now primarily available to high-income families, resulting in a significant decline in overall giving.

Support parental choice in education. We were grateful to see that the Educational Choice for Children Act (ECCA), which the USCCB's Committee on Catholic Education endorsed, is included among the tax provisions of the House-proposed package. There are important changes that need to be made regarding components of the House bill, including the restoration of the full credit cap and removal of poison pill language that would debilitate Catholic school participation.

Inclusion of immigrant and mixed-status families. Many provisions in this package also double down on an unsustainable enforcement-only approach to immigration, while unjustly placing immigrant and mixed-status families at a profound disadvantage. Among these are provisions that penalize families who go to painstaking lengths to comply with the law, including those fleeing persecution. We are also deeply concerned about the unprecedented levels of mandatory funding that would escalate enforcement far beyond the legitimate goals of promoting public safety and bringing to justice those who commit crimes. These provisions are contrary to the common good. As Pope Francis said in a letter to the U.S. bishops shortly before his passing, "an authentic rule of law is verified precisely in the dignified treatment that all people deserve, especially the poorest and most marginalized. . . . What is built on the basis of force, and not on the truth about the equal dignity of every human being, begins badly and will end badly."

Energy and environment. The $500 billion cut to clean energy incentives and the repeal of environmental justice programs and energy efficient loans create significant barriers to accessing clean energy, especially for rural and urban poor and middle-income families. Cuts will also increase pollution that affects children and the unborn, blunt economic opportunities, and decrease resilience against extreme weather. Furthermore, this bill makes it harder for clean energy companies to operate and create good jobs. Removing environmental review requirements from permitting and processes will hinder good stewardship.

In the attached appendix, we provide feedback to the package according to these moral considerations that we recommend should guide your work on this legislation.

We urge you to remain consistent in protecting human life and dignity and supporting the common good, and implore you in the strongest possible terms, to address the real and substantial harms that would result from provisions in this bill before it advances further. We stand ready to assist you in your important work.

United States
Conference of
Catholic Bishops

Sincerely,

+ Borys Gudziak

Most Reverend Borys Gudziak
Archbishop of Ukrainian Catholic Archeparchy of Philadelphia
Chairman, USCCB Committee on Domestic Justice and Human Development

David O'Connell

Most Reverend David M. O'Connell, CM, JCD
Bishop of Trenton
Chairman, USCCB Committee on Catholic Education

+ Kevin C. Rhoades

Most Reverend Kevin C. Rhoades
Bishop of Ft. Wayne-South Bend
Chairman, Committee for Religious Liberty

+ Mark J. Seitz

Most Reverend Mark J. Seitz
Bishop of El Paso
Chairman, USCCB Committee on Migration

+ Daniel E. Thomas

Most Reverend Daniel E. Thomas
Bishop of Toledo
Chairman, USCCB Committee on Pro-Life Activities

+ Robert Barron

Most Reverend Robert E. Barron
Bishop of Winona-Rochester
Chairman, USCCB Committee on Laity, Marriage, Family Life and Youth

Appendix

Protect Human Life and Dignity

Defunding Major Abortion Providers: Though the Hyde Amendment helps prevent federal dollars from paying directly for elective abortions, money is fungible and Planned Parenthood – the largest abortion provider in the U.S. at over 400,000 preborn children killed per year – receives nearly $792 million annually, or about one third of its revenue, from taxpayers, mostly via Medicaid. Comparing its own annual reports over the last twenty years, Planned Parenthood's government revenues have generally increased alongside the number of abortions it performs and its share of the abortion industry (about 40%), while numerous other services and numbers of patients served have markedly *decreased*. To the extent that Planned Parenthood offers other services, these can be provided to people in need by other entities such as community health centers, which outnumber (and are thus more geographically accessible than) Planned Parenthood clinics. We strongly support the provision in the House reconciliation legislation that would prevent major elective abortion providers from any longer being eligible for taxpayer-funded, federal Medicaid dollars (**Sec. 44126**).

Defunding "Gender Transition" Procedures for Minors: Every effort should be made to protect children from experimental, life-altering medical interventions, including measures that prohibit the federal subsidizing of mutilating practices on minors, promoted by providers under the deceptive label of "gender affirming care." As the "second largest provider of hormone therapy" in the country, Planned Parenthood receives Medicaid reimbursements. Between 2017 and 2023, Planned Parenthood affiliate clinics filed insurance claims for "gender-related" services for twelve thousand children aged 12-17. Insurance claim data further "suggest[s] that 1 in 6 U.S. teens and young adults who sought gender hormones" went to Planned Parenthood. While the off-label use of hormones and puberty blockers has proven to be a lucrative billion-dollar business in an ever-growing market, taxpayer dollars should not be subsidizing the cost. We strongly support the provision in the House reconciliation legislation to protect the dignity of children by prohibiting the federal subsidizing of "gender transition" procedures for minors. (**Sec. 44125).**

Care for the Poor

Raising Taxes on the Poor While Cutting Taxes for the Wealthiest: According to the nonpartisan Joint Committee on Taxation (JCT) report on the distribution of the Chairman's Amendment in the Nature of a Substitute, in 2027, those making less than $15,000 will experience a nearly 20% increase in taxes, while every other income bracket sees a decrease. Worse, in 2029, those making less than $15,000 will see a more than 50% increase in taxes, and those making between $15,000 and $30,000 will experience more than a 10% increase, while all others experience cuts, with the highest percentage cut (-10%) going to those making $500,000 to $1,000,000. Worse still, in 2031, those making less than $15,000 experience a 74.3% tax increase, and those making between $15,000 and $30,000 see a more than 20% tax increase, while everyone making more than $30,000 experiences a decrease. If one looks at the breakdown in income quintiles, it appears even more shocking: in 2031, the JCT predicts that the bottom 20% of income earners will experience an extraordinary 454.8% tax increase, while all others – including the top 0.1 percentile – will receive a tax cut.

Medicaid: This bill undertakes the largest Medicaid cut in history, leaving 8.6 million people uninsured. Most Medicaid recipients already work, and work requirements ignore the realities of low-wage work, caregiving responsibilities, and health limitations. These requirements will not support people looking for work, creating artificial barriers to care through excessive red tape. Furthermore, those who cannot prove they meet work requirements would be deemed eligible for minimal essential coverage, barring them from financial assistance to purchase plans in the marketplace. The House proposal also limits access to healthcare for many lawfully present, taxpaying immigrants by cutting

Medicaid matching funds for states and by ending the requirement for Medicaid coverage while citizenship or immigration status is being verified.

Affordable Care Act Enhanced Premium Tax Credits (APTC): The House proposal fails to extend the APTCs, which will result in 4.2 million people losing access to affordable health coverage, according to the Congressional Budget Office. The House proposal also ends subsidized ACA marketplace coverage and Medicare eligibility for many lawfully present immigrants, as well as ACA marketplace coverage eligibility for DACA recipients specifically. It is unacceptable to cause 13 million people to lose their health insurance with no plan or alternative pathway for them to access healthcare.

Supplemental Nutrition Assistance Program (SNAP): Congress must reject the SNAP provisions in the House reconciliation bill. Not allowing the Thrifty Food Plan to be updated to reflect the cost of feeding a family would cut future benefit amounts and leave families hungry at the end of the month. The enhanced work requirements prescribed in the bill, coupled with reduced state waiver flexibility, serve only as an additional barrier to accessing adequate nutrition, not helping those impacted find and maintain suitable employment. This bill also significantly reduces access to nutrition assistance for lawfully present immigrants, including refugees, asylees, trafficking survivors, and others. Most alarming, state cost-sharing measures—such as doubling the administrative cost for all states and severe penalties for error rates—appear to threaten the financial viability of the program in multiple states, ultimately punishing those who will go hungry through no fault of their own.

Farm Bill: The bipartisan Farm Bill should not become part of a partisan reconciliation package. Separating out key elements of the Farm Bill will leave others without a path forward. Moreover, the significant increase in commodity supports appear to come at the expense of SNAP benefits. The interests of farmers and hungry families should be aligned, not opposed. (**Secs. 10001-10108**).

Earned Income Tax Credit (EITC): A powerful pro-work, pro-family tool in the fight against poverty, the EITC, should be strengthened and expanded for low-income workers without children to ensure they are not taxed further into poverty. Instead, this proposal creates an additional barrier to accessing this vital credit by requiring pre-certification before filing a tax return. This burdensome requirement, which will discourage and block many from accessing the credit, is an unreasonable means of reducing duplicative payments and should be rejected (**Sec. 112206**).

Low-Income Housing Tax Credit (LIHTC): The House bill makes encouraging improvements to LIHTC, such as lowering the Private Activity Bond (PAB) financing threshold from 50% to 25%, restoring the 12.5% LIHTC cap increase that expired in 2021, and providing incentives for more investment in rural and tribal areas. As the largest federal program supporting the development of affordable housing, LIHTC is an essential tool that should be expanded and improved to best serve households with the lowest incomes (**Sec. 111109**).

<u>Family Formation and Strengthening</u>

Child Tax Credit (CTC): If there are limited resources available to improve the CTC, those resources should first be allocated towards ensuring that the poorest children can access the full credit, so they have the tools they need to thrive. The House reconciliation proposal expands the value of the CTC for families making up to $400,000 per year, but does nothing to help the 17 million children in low-income families who currently cannot access the full value of the credit because their parents' income is insufficient and instead exacerbates this disparity. We urge you to reject a new provision that would cause millions of U.S.-citizen children living in mixed-status families to lose access to the CTC's benefits by requiring parents of eligible children to file taxes with a Social Security Number rather than an Individual Taxpayer Identification Number (ITIN) (**Sec. 110004**).

Personal Exemption: The bill continues the elimination of the personal exemption, which will raise roughly $2 trillion dollars. The temporary increase of the standard deduction appears to mean that families with four or fewer children will initially pay less than they would with the pre-2018 personal deduction and standard deduction, but when the standard deduction expansion expires, families with more than three children will pay more than pre-2018 levels, and increasingly so with each child.

Paid Family Leave: It is positive that the House bill creates more substantial incentives for employers to provide paid family leave. Such efforts should be expanded to advance paid family leave that does not unduly burden lower-income organizations or individuals, does not penalize larger families, and does not destabilize existing social service programs (**Sec. 110106**).

Child Care: The House bill makes constructive improvements to the business tax credit for qualified child care expenses provided to employees. More efforts that are inclusive of the faith-based sector should be made to improve access to resources for child care, thereby supporting working-parent families and child care workers (**Sec. 110105**).

Adoption Tax Credit: Enhancing the adoption tax credit by making up to $5,000 of the credit refundable and indexing it for inflation is a step in the right direction to encourage adoption and support families. The full benefit of the adoption tax credit should be made available to lower-income families, thereby increasing opportunities for children to be adopted (**Sec. 110107**).

Progressivity of the Tax Code

Alternative Minimum Tax (AMT) and Estate Tax: At $1.4 trillion over ten years, the AMT is among the most expensive single policies in the entire package. "Enhancing" the estate tax so that no taxes are paid for an estate worth less than $15 million will cost more than $200 billion over ten years. As presently written, Congress could give back *all* of the cuts to Medicaid and SNAP and still save billions of dollars if it merely reinstated the AMT, and the estate tax could provide even more flexibility.

Early Life Wealth Building Accounts: Early life wealth building accounts are crucial tools for increasing opportunities for wealth building among historically excluded individuals and helping families establish financial security, enabling them to not only survive but also thrive. The creation of Money Account for Growth and Advancement ("MAGA") accounts and the pilot program to make contributions into these accounts for newborns, are promising developments. These accounts should be inclusive of and targeted at the families who need them most (**Secs. 110115 and 110116**).

Incentivize Charitable Giving, Nonprofit Organizations, and Development

Charitable Tax Deduction-individuals: Researchers at Indiana University and the University of Notre Dame found that following the passage of the TCJA, 23 million households switched to the standard deduction, and charitable giving dropped by $20 billion. As positive as "above the line" charitable deductions are, $150 per person will not make up the difference.

Charitable Tax Deductions-corporations: To the above-mentioned issue, this proposal adds **Sec. 112027,** an introduction of a 1-percent floor to corporate charitable deductions. This new limit will adversely impact nonprofits, considering that, according to the Chief Executives for Corporate Purpose, the median of total community investment from companies is 0.92% of their pre-tax profit.

Unrelated Trade or Business: Sec. 112024 will increase UBIT by any amount paid or incurred for any qualified transportation fringe, and **Sec. 112026** will make the UBTI exclusion of research income only applicable to income derived from fundamental research that is freely available to the public. These modifications will increase the taxable income of nonprofit organizations and divert amounts from their charitable, religious or educational purposes.

ERTC eligibility date changes: nonprofit organizations fought to maintain their employees at times when donations were low, churches were closed, and need increased. Changing the date for ERTC applications to January 31, 2024 (**Sec. 112205**), punishes entities that complied with the window of application. Losing ERTCs will diminish their invaluable work towards the common good.

Support Parental Choice in Education: We were pleased to see the Educational Choice for Children Act, which USCCB has endorsed, included in **Sec. 110109** of the House bill. The USCCB Committee on Catholic Education endorses this bill because we believe that parents, as their child's primary educators, should be empowered with the resources to send their child to the school of their choosing. While we applaud the inclusion of this important priority in reconciliation, we urge the Senate to remove language that would prevent a school from accepting students with ECCA scholarships unless they accept a student with *any* IEP. This is an unfunded mandate, as private schools generally do not receive IDEA funding, so they would have to pay these significant costs out of pocket. This language would debilitate the ability for Catholic schools to participate and must be removed. We also respectfully recommend that the Senate restore the $10 billion credit cap with both individual and corporate givers included.

Migration-Related Provisions

Enforcement and Detention: While we appreciate the funding included in this bill to expand immigration court capacity (**Sec. 70100**), it pales in comparison to the disproportionate emphasis on enforcement. In addition to over $25 billion to support enforcement operations, this bill would provide an astonishing $45 billion for immigration detention, including family detention (**Sec. 70101**). This amounts to a 364% increase annually, from 2025 to 2029, when compared with the Fiscal Year 2024 detention budget for Immigration and Customs Enforcement. For the sake of "efficiency," this massive increase is also accompanied by a provision granting total discretion to the Secretary of Homeland Security for determining detention standards. Meanwhile, in recent weeks, the Department of Homeland Security (DHS) dismantled the agencies primarily responsible for ensuring the humane and lawful treatment of people subject to immigration enforcement and detention. Such an open-ended influx of resources, absent any reasonable safeguards or limitations on their use, would lead to the immoral treatment of individuals and families alike, including those who have been living peacefully and contributing to our country for multiple decades.

Unaccompanied Children and Family Reunification: This bill includes several provisions that would override protections for unaccompanied children and potentially keep them separated from their families. For example, $100 million is included to facilitate the expedited removal of unaccompanied children from the United States, regardless of age and without any meaningful access to counsel, based solely on a determination by the Secretary of Homeland Security (**Sec. 70119**). Additionally, family members and other qualified sponsors would first be required to pay a $3,500 fee as "reimbursement" for the time a child spent in federal custody, as well as a $5,000 bond, before taking the child into their care (**Secs. 70007 and 70020**). These fees would be an insurmountable obstacle for many sponsors and could actually increase federal expenditures, as more children would be forced to remain in government custody for longer periods, perhaps even indefinitely. Congress should continue to prioritize family reunification and the best interests of each child, rather than requiring what is effectively a ransom to be paid for children to be reunited with their families.

Asylum: This bill would impose an unprecedented $1,000 fee on the right to seek asylum, while explicitly prohibiting a waiver or reduction of this fee, regardless of an individual's circumstances (**Sec. 70002**). It is unconscionable that the ability to receive asylum in our country could be entirely contingent on one's ability to pay for it when it could mean the difference between life and death. No country should be in the business of commodifying human life in this way. The further proposal of a

$100 fee for each year an asylum application is pending can only be interpretated as a punitive measure, given how little control applicants have over the adjudication timeline (**Sec. 70010**). The addition of a mandatory $550 fee for an asylum seeker to request initial employment authorization, combined with the need to renew work authorization every six months (instead of every five years), will further burden an already vulnerable population, forcing those trying to support themselves and their families to rely on public or charitable assistance and making them more susceptible to labor exploitation (**Sec. 70003**).

Additional Fees: This bill would increase several other fees and impose new fees beyond those mentioned. For example, every person who receives a nonimmigrant visa, including religious workers and temporary agricultural workers, would be required to pay a $250 "visa integrity fee"—on top of the fees already paid—with the potential for reimbursement (**Sec. 70008**). For those who qualify for reimbursement, DHS would need to devote additional resources to administering a refund process, likely cancelling out or exceeding any potential gains from the fees retained. Additionally, those registering for temporary protected status (**Sec. 70006**), applying for humanitarian parole (**Sec. 70004**), or navigating their immigration court proceedings (**Secs. 70011 and 70016**) would all face significant fee increases and new fees. Besides these being subject to yearly inflationary adjustments, this bill would override provisions in existing law that make fee waivers available in certain cases, including for victims of trafficking and other crimes. Collectively, these changes will make our legal immigration system less accessible, less fair, less efficient, and more cumbersome to administer.

Border: Nearly $50 billion is proposed in this bill for building barriers along the U.S.-Mexico border (**Sec. 60001**), but no funding is provided for improving ports of entry to facilitate legal and orderly immigration, including over $800 billion in cross-border trade annually. Once again, the overwhelming focus is on militarizing the border without due consideration for human life, the environment, or the interconnectedness of Mexican and American communities. An additional $5 billion proposed for the Department of Defense to support "border operations" is particularly concerning, as it would further erode the crucial distinction between civil immigration enforcement and military action (**Sec. 20011**).

Energy and Environment

This bill eliminates $500 billion in investment for environmental stewardship, including:
Clean energy manufacturing tax credits (45Y, 48E, 45X), which support clean energy companies' operations, job creation (400,000 since 2022), and helps lower overall energy costs.
H**ousehold clean energy and energy efficiency (EE) tax incentives (25C, 25D; $109 billion)**, which, for two decades, have made appliances and building upgrades more affordable for low- and middle-income families, brought down energy costs, and created jobs.
Clean vehicle tax credits (45W, 30D, 30C, 25E), valued at $190 billion, which make new and used electric vehicles and commercial EVs affordable for low- and middle-income families and businesses. This bill also charges owners of hybrid and EVs an annual fee.
EPA programs that reduce air pollution and greenhouse gas emissions, especially around schools and ports. These pollutants will harm children and the unborn, particularly in poor communities living near industrial facilities. Further harm will result from rolling back environmental justice block grants ($3 billion) and Greenhouse Reduction Fund ($27 billion) which support sustainable economic development and natural disaster resilience in rural and urban low-income communities.
EPA funding for reviewing and approving permits: This bill should not displace ongoing bipartisan negotiations on permitting reform. The proposals here allow for expedited permits for fossil fuel companies who pay fees to the government with little to no judicial review of environmental impact assessments.

Investment in environmental stewardship is necessary to address climate challenges and care for our common home. Abdication of these responsibilities is not acceptable.