



TaxNewsFlash

United States

No. 2025-115

April 10, 2025

Legislative update: Congress passes 2025 budget resolution allowing up to \$4.5 trillion in net tax cuts

The U.S. House of Representatives today passed by a vote of 216-214 a [budget resolution](#) providing parameters for the federal government budget for fiscal year (FY) 2025 and setting budgetary levels for FY 2026 through FY 2034. The Senate passed the resolution on April 4, 2025, and the House passed a previous version of the resolution on February 25, 2025. [Read TaxNewsFlash](#)

The budget authorizes the House and Senate to begin work on an FY 2025 reconciliation bill that would make changes to certain federal revenues and mandatory spending. The budget resolution mandates that the authorized reconciliation bill include net mandatory savings totaling at least \$1.5 trillion (over 10 years) and net tax cuts not to exceed \$4.5 trillion (over 10 years) in the House and, using a modified accounting calculation, a “savings floor” of \$5 billion (over 10 years), and net tax cuts not to exceed \$1.5 trillion (over 10 years) in the Senate. The resolution also increases the statutory debt limit by \$4 trillion.

Next steps

The signature of the president is not required for a joint budget resolution. Passage of the budget resolution is the first step to “unlock” the ability of the House and Senate to use a reconciliation bill to pass tax legislation. Use of the reconciliation process provides a path for filibuster-proof passage of a bill in the Senate, thus allowing the Senate to approve a bill with a simple majority vote. The House and Senate will now need to draft a reconciliation bill (expected to include tax proposals) and pass identical legislation to be sent to the president for his signature.

Statements

- [From Secretary of the Treasury Scott Bessent](#)
- [From House Minority Whip Katherine Clark \(D-MA\)](#)
- [From House Budget Committee Chairman Jodey Arrington \(R-TX\)](#)

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