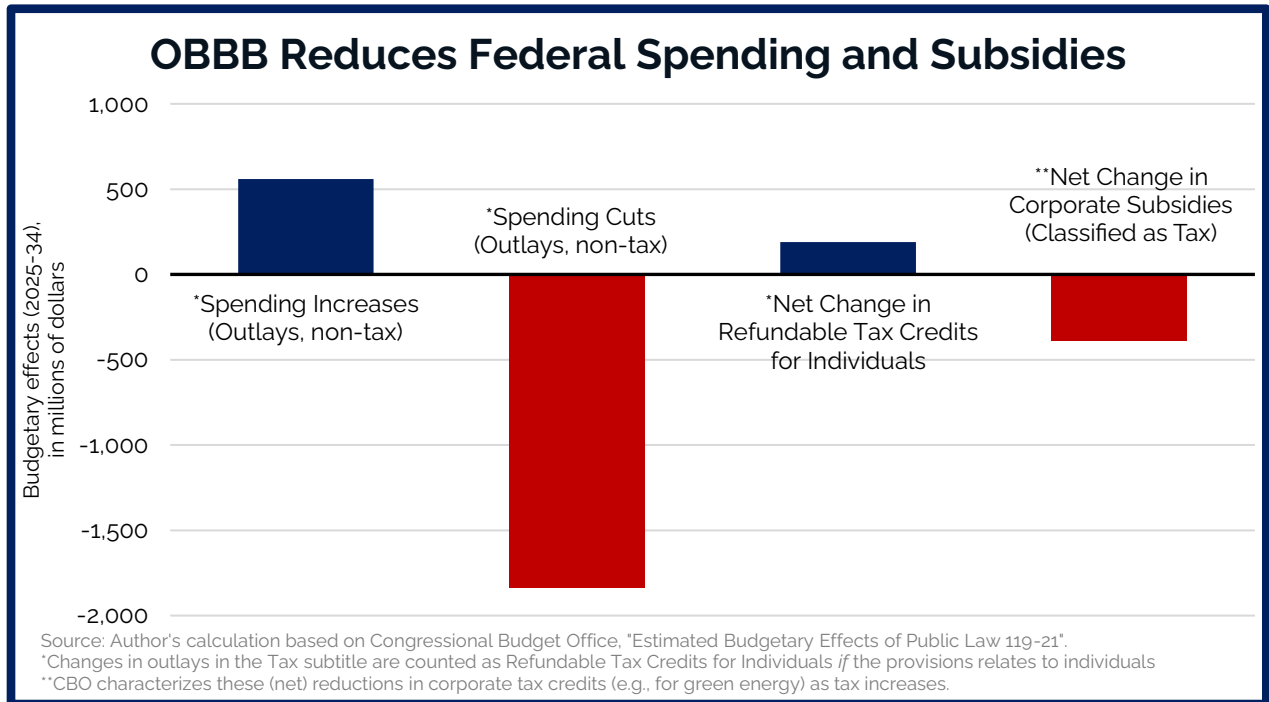


REDUCING SPENDING GROWTH WHILE FUNDING DEFENSE, HOMELAND

TOPLINE: The One Big Beautiful Bill (OB3) reduced the projected growth of federal spending and cut corporate subsidies in the tax code. At the same time, it increased funding for the military, homeland security, and the judiciary.



Facts and Figures

- According to CBO [scoring](#), OB3 reduces net outlays by an estimated **\$1.1 trillion**.
- The net reduction in outlays would be higher by about **\$190 billion** if not for changes to refundable tax credits (e.g., child tax credit) and other tax outlays for individuals counted as increased outlays.
- OB3 also reduced corporate tax subsidies like Green New Deal tax credits by about **\$390 billion** (net). CBO classifies these changes as tax increases.

Outlay Changes, by Committee (2025-34), \$ Billions

Committee	Budget Impact
Armed Services	+150
Homeland Security, Government Affairs	+129
Judiciary	+46
All Others	-1,416
Total	-1,091

Source: Author's calculation, based on Congressional Budget Office, "Estimated Budgetary Effects of Public Law 119-21".

BOTTOMLINE: Between reduced outlays and reduced corporate tax subsidies, OB3 included more than **\$2 trillion** in "pay-fors" (gross) and nearly **\$1.5 trillion** on net. These reductions are among the largest ever in absolute terms, assuming Congress follows through and keeps the changes in place over the long term. Still, these changes pale in comparison to the national debt, which now exceeds **\$39 trillion**.

