



Report for Community College League of California

Timeline for the Budget Reconciliation Act,
Public Law 119-21

Date:

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Introduction

This report provides timetables for the newly enacted budget reconciliation law.

Budget Reconciliation Enactment Timeline

Enactment of H.R. 1, One Big Beautiful Bill Act (OBBBA), Public Law 119-21

July 1 – Approved by the United States Senate, 51 to 50

- *Opposed:* All Democrats and Senators Susan Collins (R-ME), Rand Paul (R-KY), and Thom Tillis (R-NC)
- Vice President J.D. Vance broke the tie

July 3 – Approved by the U.S. House of Representatives, 218 to 214

- *Opposed:* All Democrats and Reps. Thomas Massie (R-KY) and Brian Fitzpatrick (R-PA)

July 4 – Signed by President Donald Trump

Timeframe for Key Budget Reconciliation Act Provisions

Calendar Year 2025

Budget Reconciliation Provision	Effective Date	Termination Date
State and local tax deduction set at \$40,000, with increases for subsequent years	Jan. 1, 2025	Dec. 31, 2028
Standard tax deduction is \$15,750 for individuals and \$31,500 for married couples filing jointly	Jan. 1, 2025	Permanent
Child tax credit is \$2,200 per child	Jan. 1, 2025	Permanent
New tax-free savings accounts allowable for children born between Jan. 1, 2025 and Dec. 31, 2028, to be awarded \$1,000 in federal funds	Jan. 1, 2025	Permanent
No tax on income from tips	Jan. 1, 2025	Dec. 31, 2028
No tax income from overtime	Jan. 1, 2025	Dec. 31, 2028
No tax on car loan interest	Jan. 1, 2025	Dec. 31, 2028
New \$6,000 tax deduction for eligible individuals 65 and older	Jan. 1, 2025	Dec. 31, 2028
Increase Pell Grant funds by \$10,500,000,000	July 4, 2025	Permanent
Provides FEMA \$500,000,000 to fund state and local capabilities to detect, identify, track, or monitor threats from unmanned aircraft systems (drones)	July 4, 2025	Funds available through Sept. 30, 2029
Repeals Greenhouse Gas Reduction Fund	July 4, 2025	Permanent
Repeals Deisel Emissions Reductions program	July 4, 2025	Permanent

Timeframe for Key Budget Reconciliation Act Provisions

Calendar Year 2025 (continued)

Budget Reconciliation Provision	Effective Date	Termination Date
Rescinds funds to address air pollution	July 4, 2025	Permanent
Rescinds funds to address air pollution at schools	July 4, 2025	Permanent
Rescinds funds for Low Emissions Electricity Program	July 4, 2025	Permanent
Rescinds funds to develop tests and protocols for environmental and public health effects of a fuel or fuel additive, and investments in biofuels	July 4, 2025	Permanent
Rescinds greenhouse gas corporate reporting funds	July 4, 2025	Permanent
Rescinds funds for environmental product declaration assistance	July 4, 2025	Permanent
Rescinds funds for methane emissions and waste reduction incentives for petroleum and natural gas systems	July 4, 2025	Permanent
Rescinds funds for Greenhouse Gas Air Pollution Plans and Implementation Grants	July 4, 2025	Permanent
Eliminates Corporate Average Fuel Economy (CAFE) civil penalties against automakers	July 4, 2025	Permanent
Rescinds funds for Environmental Protection Agency efficient, accurate, and timely reviews	July 4, 2025	Permanent
Rescinds funds for low-embodied carbon labeling for construction materials	July 4, 2025	Permanent
Rescinds funds for Environmental and Climate Justice Block Grants	July 4, 2025	Permanent
Rescinds funds for Endangered Species Act Recovery Plans	July 4, 2025	Permanent
Rescinds funds for environmental and climate data collection	July 4, 2025	Permanent
Rescinds funds for Neighborhood Access and Equity Grant Program	July 4, 2025	Permanent
Rescinds funds for implementation of the American Innovation and Manufacturing Act	July 4, 2025	Permanent
Rescinds funds for low-carbon materials for federal buildings and emerging and sustainable technologies	July 4, 2025	Permanent
Rescinds funds for low-carbon transportation materials	July 4, 2025	Permanent

Timeframe for Key Budget Reconciliation Act Provisions

Calendar Year 2025 (continued)

Budget Reconciliation Provision	Effective Date	Termination Date
Authorizes \$500,000,000 for the Broadband, Equity, Access, and Deployment (BEAD) Program to support projects to deploy artificial intelligence	July 4, 2025	Sept. 30, 2025
Ends federal funding for the National Education and Obesity Prevention Grant Program	Sept. 30, 2025	Permanent
Repeals Electric vehicle tax credits	Sept. 30, 2025	Permanent
Repeals previously owned clean vehicle tax credits	Sept. 30, 2025	Permanent
Repeals qualified commercial clean vehicle tax credits	Sept. 30, 2025	Permanent
Repeals Residential Clean Energy Credits	Dec. 31, 2025	Permanent
Repeals Energy Efficient Home Improvement Credits	Dec. 31, 2025	Permanent

Calendar Year 2026

Budget Reconciliation Provision	Effective Date	Termination Date
Extends Tax Cuts and Jobs Act of 2017 provisions	Jan. 1, 2026	Permanent
State and local tax deduction set at \$40,400	Jan. 1, 2026	Dec. 31, 2026
Rescinds Affordable Care Act enhanced subsidies	Jan. 1, 2026	Permanent
Terminates new energy efficient home tax credits	June 30, 2026	Permanent
Workforce Pell Grants expand federal Pell Grant access to short-term instruction applicable to programs of at least 150 clock hours, but less than 600 clock hours of instruction, offered for a minimum of 8 weeks, but less than 15 weeks	July 1, 2026	Permanent
Donors may contribute up to \$5,000 annually per contributor to tax-free savings accounts for children born between Jan. 1, 2025 and Dec. 31, 2028	July 4, 2026	Permanent
Eliminates Graduate PLUS student loan program	July 1, 2026	Permanent
Eliminates SAVE, PAYE and ICR student loan repayment plans	July 1, 2026	Permanent
Undergraduate programs for which most graduates earn less than the median high school graduate in their state are ineligible for federal student loans	July 1, 2026	Permanent
No Pell Grants for "full-ride" scholarship recipients	July 1, 2026	Permanent
Federal contribution for SNAP program administration drops, increasing nonfederal share from 25% to 50%	Oct. 1, 2026	Permanent

Timeframe for Key Budget Reconciliation Act Provisions

Calendar Year 2027

Budget Reconciliation Provision	Effective Date	Termination Date
State and local tax deduction set at \$40,800	Jan. 1, 2027	Dec. 31, 2027
States to implement Medicaid work requirements for recipients who became eligible under the Affordable Care Act's expansion of Medicaid	Jan. 1, 2027	Permanent
Open enrollment period for the Affordable Care Act marketplace drops from two months to one month	Nov. 1, 2027	Permanent

Calendar Year 2028

Budget Reconciliation Provision	Effective Date	Termination Date
State and local tax deduction set at \$41,200	Jan. 1, 2028	Dec. 31, 2028
Student loan borrowers must switch to one of two new loan repayment plans	July 1, 2028	Permanent
Medicaid recipients under the ACA's 2010 expansion pay new out-of-pocket costs of up to \$35 per service	Oct. 1, 2028	Permanent
Children born between Jan. 1, 2025 and Dec. 31, 2028 may be beneficiaries of savings accounts	Jan. 1, 2025	Permanent
Expiration of exemptions for tips, overtime, seniors, car-loan interest and state and local tax deductions	Jan. 1, 2025	Dec. 31, 2028

Calendar Year 2029

Budget Reconciliation Provision	Effective Date	Termination Date
State and local tax deduction set at \$10,000	Jan. 1, 2028	Permanent

We hope this report will be of use to you.