

## [Commercial-News, Danville: 'One Big Beautiful Bill Act' would mean cuts to taxes, social programs](#)

By Kaighla White

In this second installment of our series exploring the ways President Donald Trump's "One Big Beautiful Bill Act" could impact people on the local level, The Commercial-News takes a deeper look at how the bill, if passed by the Senate, would cut taxes for some and implement work requirements for SNAP and Medicaid programs. The bill was passed by the House of Representatives on May 22 and is currently being debated by the U.S. Senate, who is expected to vote on the bill sometime this summer.

For families with children, the "One Big Beautiful Bill Act" (OBBBA) would mean an increase in the Child Tax Credit.

Established in 1997 as part of the Taxpayer Relief Act, the goal of the Child Tax Credit (CTC) is to enhance the economic security of families with children, particularly those in lower- to middle-income brackets.

The dollar amount of the tax credits is based on the number of dependent children, as well as income level and marital status, according to the National Conference of State Legislatures.

In other words, those who claim their children on their federal tax return — and some state returns, including Illinois — are not taxed on their entire income, thanks to those deductions. That means families could save hundreds or even thousands in taxes they would otherwise be required to pay.

It's important to note that these changes would only remain in effect until 2028, when the CTC would be reduced back down to the current \$2,00 per child.

### **Elimination of taxes on tips and overtime**

Another group who could benefit from the OBBBA are servers or bartenders, who may see a bump in their net pay thanks to the elimination of taxes on tips and overtime.

According to Indeed.com, some bartenders in Illinois make as much as \$150 a day in tips, all of which counts toward their taxable income as the law stands today.

Should the OBBBA pass the Senate, tips and overtime hours would no longer be taxed, meaning more money would stay in the pockets of bartenders, servers, baristas, and anyone else who relies on tips.

The actual change would take place as a deduction, like the child tax credit, in which taxpayers who receive tips would receive "a deduction in an amount equal to the qualified tips received during the taxable year that are included on statements furnished to the individual."

The same goes for those who worked beyond their required hours across the year. Overtime hours would not be taxed, thanks to a deduction "in an amount equal to the qualified overtime compensation received during the taxable year."

### **For Seniors**

Those who are 65 years or older would also see an increased standard deduction to their taxable income as a way to ease the burden on fixed-income retirees.

Should the bill pass Senate, standard deduction amounts for 2025 through 2028 would be increased by an additional \$4,000 for seniors 65 and older who meet certain income limits.

### **For Small Business Owners**

Those who own small businesses could see an expanded QBI (Qualified Business Income) deduction.

The QBI allows eligible businesses — like S corporations, partnerships, and limited liability companies (LLCs), as well as sole proprietors and self-employed individuals — to deduct up to 20% of their qualified business income, lowering their taxable income and saving them money.

### **Cuts to Social Programs — Who's at Risk? Medicaid Work Requirements**

Around 3.9 million people in Illinois, including low-income adults, children, pregnant women, and people with disabilities, have their health needs currently covered by Medicaid. 44% of that 3.9 million were children, 9% were seniors, and 7% were adults with disabilities, according to The Civic Federation.

Should the OBBBA pass the Senate, it would be harder for people to meet eligibility requirements for Medicaid coverage.

The new bill would impose work or job-training requirements for able-bodied adults as part of a requirement to “demonstrate community engagement.”

Applicants must either prove that in the month leading up to their application, they've worked at least 80 hours, participated in 80 hours of community service, or been enrolled in an educational program at least half-time, or some combination of these, totaling 80 hours.

In Vermilion County, 1,310 adults, or 4.3% of the applicable population, were unemployed as of April 2025, according to the U.S. Census.

To ensure people covered by Medicaid continue to remain employed or otherwise “engaged” in the community, the OBBBA gives the federal government access to payroll data.

Exceptions would be made for people under 19 years of age and pregnant people or those entitled to post-partum medical assistance.

People who have been released from a public institution within three months before they applied for Medicaid are also exempt from the community engagement requirement.

For those who would not qualify for Medicaid but who cannot afford to pay for their own emergency care, local hospitals and clinics may bear the burden, especially those in more rural areas where a higher percentage of the population depends on Medicaid.

It's not just individuals and families who could be impacted by cuts, as many public schools receive Medicaid funding as a reimbursement for school nurses and counsellors.

The Center on Budget and Policy Priorities estimates that up to 1.35 million could be at risk of losing Medicaid coverage under the OBBBA.

## **SNAP (Food Stamp) Changes**

As part of the OBBBA, a new plan called “the Thrifty Food Plan” would take effect, wherein able-bodied adults without dependents would have to maintain the same work requirements for Medicaid recipients.

Children under 18 or seniors over 65, as well as those people who are “medically certified as physically or mentally unfit for employment,” and parents or other members of a household with responsibility for a dependent child under 7 years of age, would be excluded from the work requirement.

Pregnant women, someone who is currently unhoused, a veteran, those under 24 who were previously cared for in foster care, and someone married to someone who fits the above requirements.

In 2022, there were 20,733 individuals in Vermilion County receiving SNAP benefits, or supplemental nutrition assistance program, according to the U.S. Census. If even a portion of those recipients were to lose their SNAP benefits, local food pantries would see a surge in demand.

## **What to Watch and What to Do**

If the OBBBA passes the Senate, many provisions would go into effect over the next 1–2 years. It would be up to state and local agencies to determine how to implement certain aspects of those provisions.

For those concerned with how the OBBBA could impact them, speak with a tax advisor or social worker.

Those struggling with food insecurity can reach out to the Illinois’ Hunger Hotline at 1-800-359-2163, for assistance with SNAP application, case management, and food pantry referrals.