

NEXT IAS

“AMERICA’S BIG BEAUTIFUL BILL”

Trump vs Elon Musk

**PRESIDENT TRUMP’S
BIG BEAUTIFUL BILL**

- ✓ No taxes on overtime
- ✓ No taxes on tips
- ✓ Tax relief for seniors
- ✓ No taxes on loan interest for American-made cars



TEAM EMMER
MAJORITY WHIP

Context:



- **Billionaire Elon Musk on June 11, 2025** said that **he regrets some of the posts** he made last week about **U.S President Donald Trump**, in a post on his social media platform **X**.
- Musk's statement came just days after Trump warned him of “**serious consequences**” if he attempted to target Republicans backing a contentious spending bill.



What is One Big Beautiful Bill?

- The proposed **One Big Beautiful Bill Act**, also referred to as OBBBA, OBBB, BBB or OB³, is a **budget reconciliation bill** in the **119th United States Congress**.
- The bill would extend the major provisions of the **2017 Tax Cuts and Jobs Act**, which are set to **expire at the end of 2025**.
- The **US House of Representatives** passed what **President Donald Trump** calls his “one big beautiful Bill” and now it is officially titled the **One Big Beautiful Bill Act of 2025 (OBBBA)** and is over a **thousand pages long**.
- The focus now shifts to the **US Senate**, the other house in the US Congress, to **deliberate on the Bill**.
- However, the **passage of the Bill** has **raised concerns** that have **significant ramifications** both for the **health of the US economy** and the **electoral prospects of the Republican Party**, which currently dominates both the federal executive and the legislature.

Why is Bill ‘big and beautiful’?

- President Donald Trump won his second term based on certain key promises.
- Some of these are **imposing tariffs on imports from different countries** which could be initiated through **executive actions**.
- But **many others required legislative changes**, which is the **exclusive preserve of the US Congress** (comprising the House of Representatives and the Senate).
- The **OBBB Act** essentially encapsulates **Trump’s policy agenda** and campaign promises in ‘one big, beautiful’ legislative document.

There are **five key aspects of the OBBB**.

- The first element is that it extends and makes **permanent the cuts to income tax** and estate tax that **Trump brought in 2017 during his first term**.
- The second refers to the new tax cuts on things such as **overtime, tips, and social security incomes**.
- Overall, the White House claims, “Americans making between **\$30,000 and \$80,000 per year will see their taxes cut by 15% next year**”.
- The third big element is **spending more on border security (to prevent illegal immigration)** and towards the **improvement of US military and defence capabilities**.
- The fourth element is to cut down on “**waste, fraud and abuse**” in **government spending**.
- The fifth element is to raise the so-called “**debt ceiling**”.
- The debt ceiling is essentially the **limit on how much the US government can borrow**.
- Since the amount to be borrowed has been going up over the years, **the US Congress has to, from time to time, formally raise the debt ceiling**.
- Without the **debt ceiling being raised, the US government will not be able to pay its bills**.

What are the key items in Trump's 'big, beautiful bill'?

Potential Impacts of the “One Big Beautiful Bill”









- More than an estimated **8 million recipients could lose Medicaid coverage**, according to a CBO analysis requested by House Democrats. Republicans say they're targeting able-bodied adults and undocumented immigrants, but other beneficiaries could also be impacted.

- **Cuts SNAP food assistance** by roughly \$230 billion over 10 years, narrowing participation in the program servicing roughly one-in-eight Americans each month
- Extends the 2017 **Trump tax cuts**
- Fulfills Trump's campaign promises of **no taxes** on **tips** and no taxes on **overtime** work
- Provides \$50 billion wall to renew construction of **Trump's border wall**
- Commits roughly \$150 billion in defense spending for shipbuilding and **“Golden Dome” missile defense** system



**It's important to note, the impacts of the bill are estimates based on early analysis by the nonpartisan Congressional Budget Office. The estimates - and legislative text - have not been finalized.*

Aspects	About
No tax on Social Security	<ul style="list-style-type: none"> ● On the campaign trail, Trump vowed to eliminate taxes on Social Security income - monthly payments to people with disabilities and older adults. ● The House bill fell short of delivering on that promise, but it did temporarily increase the standard deduction of up to \$4,000 (£2,983) for individuals 65 and over. ● That deduction would be in place from 2025 to 2028. ● The deduction extensions begin to decrease after \$150,000 for married taxpayers filing jointly and \$75,000 for individual filers.
More Medicaid requirements	<ul style="list-style-type: none"> ● To help finance tax cuts elsewhere, Republicans have added additional restrictions and requirements for Medicaid, the health care programme relied upon by millions of elderly, disabled and low-income Americans. <div> <div>Proposed Medicaid Changes Under GOP Bill</div> <div> <div>  New work requirements on able-bodied Medicaid recipients 19-64 years old who don't have dependents. </div> <div>  States must conduct Medicaid eligibility redeterminations at least every six months for all recipients. </div> <div>  Removes undocumented migrants from Medicaid eligibility </div> <div>  Increases copays for Medicaid recipients who make more than the federal poverty limit </div> <div>  Increases the required Medicaid paperwork for income and residency verification </div> </div> </div>

	<ul style="list-style-type: none"> ● Changes to Medicaid - one of the biggest components of federal spending - was a major source of political strife that caused significant disagreement among lawmakers. ● One of the changes are new work requirements for childless adults without disabilities. ● To qualify, the bill says, they would be required to work at least 80 hours per month beginning December 2026. ● Another change to the programme was requiring re-enrollment to shift from once per year to every six months. ● Enrollees will also have to provide additional income and residency verifications.
Increased cap on Salt tax	<ul style="list-style-type: none"> ● The bill increases the deduction limit for state and local taxes (Salt), a hugely important issue for a few Republican holdouts in some Democrat-controlled urban areas. <div data-bbox="589 1276 1414 1791"> <p style="text-align: center;">Proposed SALT Changes Under GOP Bill</p> <p>The bill  deduction limit of state and local Texas from federal income tax filing from:</p> <p style="text-align: center;">\$10,000 to \$30,000</p> <p>for joint filers making less than \$400,000 per year.</p> </div>

	<ul style="list-style-type: none"> ● There is currently a \$10,000 cap on how much taxpayers can deduct from the amount they owe in federal taxes. ● That expires this year. ● In the new bill, House Republicans have raised the Salt limit to \$40,000 for married couples with incomes up to \$500,000. ● This, too, was a major point of contention. ● A 2017 law passed under the last Trump administration held the cap at \$10,000 and was designed to make room in the federal budget to allow for tax breaks elsewhere.
Snap benefits	<ul style="list-style-type: none"> ● Reforms have also been added to the Supplemental Nutrition Assistance Program (Snap), the government programme used by over 40 million low-income Americans. ● Adults aged 55-64 and children would face additional work requirements to qualify for SNAP benefits. ● The program is currently 100% federally funded. ● The new bill requires states to contribute more to the programme, which is also partially funded by the federal government. ● The bill also shifts some SNAP costs to the states. ● This bill requires states to share in at least 5 percent of SNAP benefit costs starting in 2028. ● The SNAP cuts total an estimated \$230 billion over 10 years.

	<ul style="list-style-type: none"> ● The changes could have an indirect impact on school lunch programs, requiring some previously eligible families to apply for access and impact federal reimbursement payments for some school districts. ● It also adds work requirements for able-bodied Snap enrollees who do not have dependents.
Creation of MAGA savings account for children	<ul style="list-style-type: none"> ● The bill would create so-called MAGA savings accounts for parents to open for their children. ● The contribution limit for any taxable year is \$5,000. ● It includes a pilot program to start the accounts with \$1,000.
No tax on overtime or tips and other elements	<ul style="list-style-type: none"> ● The bill makes good on one of Trump's signature campaign promises - ending taxes on tips and overtime pay. ● This addition to the bill helps Trump fulfill one of his major campaign promises -- exempting workers who receive tips from paying federal income taxes on them, as long as they make less than \$160,000 a year. ● The tax break would expire at the end of 2028, after the next presidential election, according to the proposal. ● Both were successfully included in the bill. ● The plan would also allow Americans to deduct interest on car loans for US-made cars only.

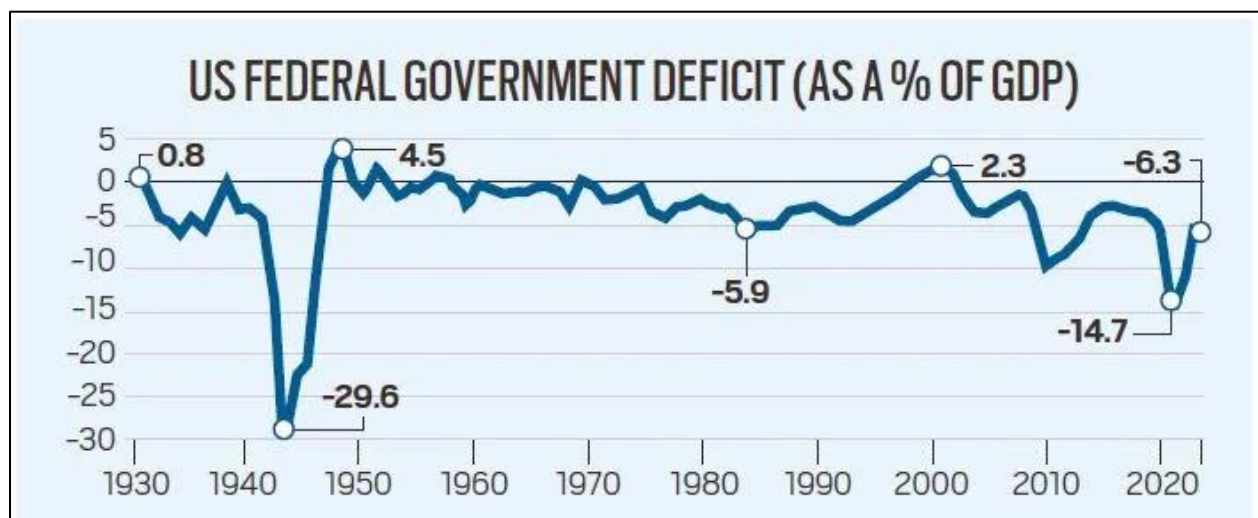
	<ul style="list-style-type: none"> ● The child tax credit is also set to increase to \$2,500 from \$2,000 through to 2028, exclusively for Americans with social security numbers. ● Additionally, the bill proposes increasing the debt ceiling to \$4tn (£2.9tn). ● The debt ceiling is the limit on the amount of money the government can borrow to pay its bills. ● Lifting the debt limit allows the government to pay for programmes already approved by Congress.
More money for border security enforcement	<ul style="list-style-type: none"> ● The legislation provides almost \$50 billion to revive construction of Trump's wall along the U.S.-Mexico border and it makes changes to immigration policy. ● The bill includes \$4 billion to hire an additional 3,000 new Border Patrol agents as well as 5,000 new customs officers, and \$2.1 billion for signing and retention bonuses. ● There's also funds for 10,000 more Immigration and Customs Enforcement officers and investigators. ● It includes major changes to immigration policy, imposing a \$1,000 fee on migrants seeking asylum, which has never been done before in the United States. ● The bill includes a \$4 trillion increase to the statutory debt limit as Treasury Secretary Scott Bessent calls on Congress to act by the end of July.

What is not so beautiful about the Bill?

- There are **two broad sets of concerns** that have been highlighted by **economists and members of US Congress**, including several Republicans like **Josh Hawley (Senator from Missouri)**.

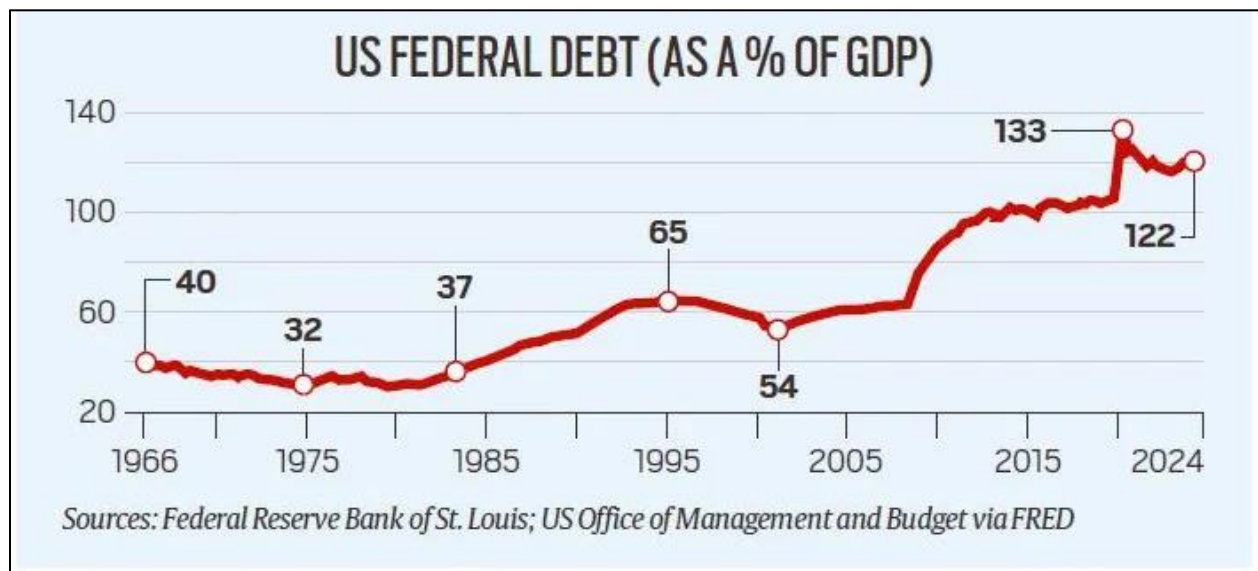
Concern 1:

- The first is about the **adverse fiscal (having to do with the government budget) impact of OBBB and its macroeconomic implications**.
- While the **OBBB is essentially a policy document**, each element has its own specific implication for the **US Federal budget**.
- As such, **tax cuts on the one hand and spending increases on the other** have the effect of **worsening US government finances**.



- As **CHART 1** alongside shows, the US Federal deficit — **the gap between what the government spends and what it earns** — is already **quite high**.
- As of **2024**, such borrowings stood at around **6.4% of US GDP**, more than double the level that many believe is acceptable.
- For perspective, that **level of federal deficit translates to \$1.9 trillion**, which is roughly **50% of India's total GDP in 2024**.
- The **OBBB** is expected to **increase federal deficits** further and add to the already **growing pile of US debt**.

- Each year's deficit adds to the overall debt.
- As **CHART 2** shows, the debt to GDP ratio has been **rising fast and has already touched the 120% level**.
- At the going rate, many expect it to rise to **200% in the coming decade**.



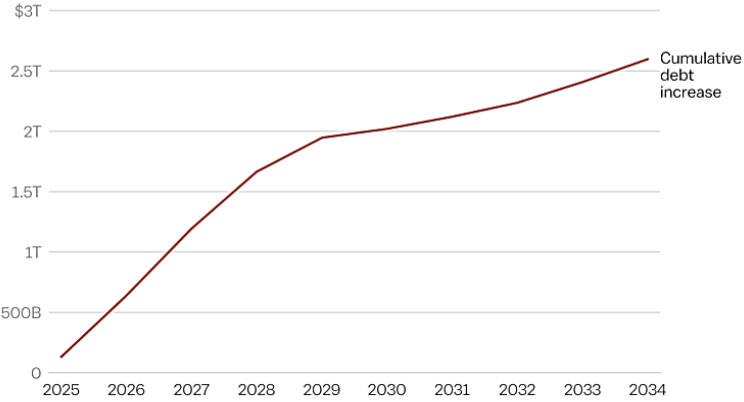
- Policy experts, including the **US Federal Reserve Chair Jay Powell**, say that the trends of **US deficit and debt (as proportions of GDP) are unsustainable**.
- It is for this reason that **global investors** are increasingly **wary of lending fresh money to the US government**. This shows in the **US government's falling credit ratings as well as rising bond yields**.
- For instance, on May 17, even before this **Bill was passed**, **Moody's stripped US government debt of its triple A rating**.
- It is for the first time in **US history** that **none of the top three credit rating agencies — Fitch and S&P are the other two — rate US government debt as top notch**.
- **Moody's** estimates that at the going rate, federal deficits could grow to **9% of US GDP by 2035**.

- As **investors pull away from buying** US dollar denominated bonds, their prices fall and their yields rise; **a trend that is being witnessed at present.**
- **Higher yields** imply the **US government will have to pay a higher interest rate for its borrowings.**
- To be sure, when the **market charges higher interest rates for lending money to the US government** — which is the most **risk-free debt one can extend** — the interest rates for everyone (US citizens and US businesses alike) go up in a commensurate manner.

Concern 2:

- The second concern is about the **redistributive aspects of the OBBB.**
- **Economist Justin Wolfers of University of Michigan has called the Bill “anti-Robin Hood”** for how it transfers the **wealth from the American poor to the American rich.**
- It does so by **giving tax cuts to the rich while limiting government help to the poor.**
- An analysis of the **OBBB by the Congressional Budget Office (CBO)**, which provides **“objective, nonpartisan information”** and helps the Congress make **effective budget and economic policy**, finds that even though overall this Bill will provide **US families with more resources over the next decade**, the benefits will not be evenly distributed.
- “CBO estimates that household resources would decrease by an amount equal to about **2 percent of income in the lowest decile (tenth) of the income distribution in 2027 and 4 percent in 2033**, mainly as a result of losses of in-kind transfers, such as **Medicaid (health insurance) and SNAP (Supplemental Nutrition Assistance Program)**. By contrast, resources would increase by an amount equal to 4 percent for households in the highest decile in **2027 and 2 percent in 2033**, mainly because of reductions in the taxes they owe,”.

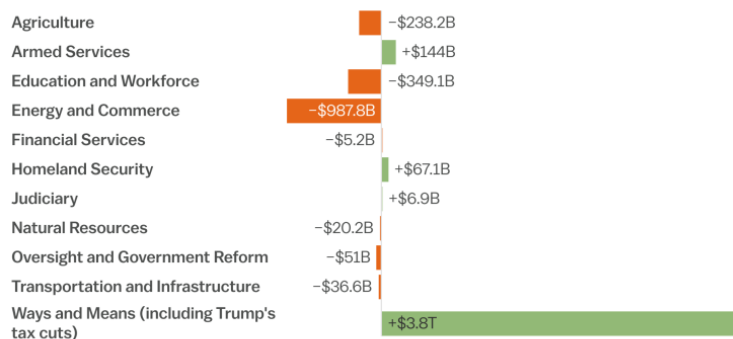
What will be the impact of the Bill on the US?

Impact	Analysis																						
The bill would cause the US deficit to skyrocket	<ul style="list-style-type: none"> ● This spending bill is expensive, and short of truly drastic cuts to nearly all social programs (and perhaps not even with such cuts), it's not clear that the government could feasibly pass it without increasing the national debt. ● The version that passed the House would raise the deficit by trillions of dollars over the next decade, not accounting for the potential effects the bill would have on the US economy. ● That spending is concentrated between 2025 and 2028, coinciding with the next presidential election. <div data-bbox="600 1050 1367 1663"> <p>The national debt could increase by about \$2.6 trillion in the next decade</p> <p>A Tax Foundation analysis of the House spending bill found that it would vastly increase the deficit by 2034.</p>  <table border="1"> <caption>Cumulative Debt Increase (Estimated from Graph)</caption> <thead> <tr> <th>Year</th> <th>Cumulative Debt Increase (\$T)</th> </tr> </thead> <tbody> <tr><td>2025</td><td>0.0</td></tr> <tr><td>2026</td><td>0.5</td></tr> <tr><td>2027</td><td>1.0</td></tr> <tr><td>2028</td><td>1.5</td></tr> <tr><td>2029</td><td>1.8</td></tr> <tr><td>2030</td><td>1.9</td></tr> <tr><td>2031</td><td>2.0</td></tr> <tr><td>2032</td><td>2.1</td></tr> <tr><td>2033</td><td>2.3</td></tr> <tr><td>2034</td><td>2.6</td></tr> </tbody> </table> <p><small>Data as of March 23, 2025. Based on the conventional deficit (not accounting for how spending will affect the macroeconomy).</small></p> </div>	Year	Cumulative Debt Increase (\$T)	2025	0.0	2026	0.5	2027	1.0	2028	1.5	2029	1.8	2030	1.9	2031	2.0	2032	2.1	2033	2.3	2034	2.6
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Tax cuts are what make the bill so expensive	<ul style="list-style-type: none"> ● Trump wants to build on the tax cuts he passed during his first term. 																						

- They are set to expire this year if **Congress does not act**, and the spending bill would keep them in place.
- It would also add some new ones, including the **elimination of taxes on tips**.
- That is **going to cost the US government**.
- A breakdown of the bill's budgetary effects published by the Congressional Budget Office (CBO) shows that the House Ways and Means Committee, which presides over tax policy, would be permitted to contribute an additional **\$3.8 trillion to the deficit** — far more than any other House committee.
- That's at least in part because **tax revenue would be lower under the bill**.
- Meanwhile, the **Armed Services and Homeland Security committees** are the only others where **Trump is seeking significant increases in spending** as he seeks to deliver on his campaign promise of “**mass deportations**” with assistance from the military.

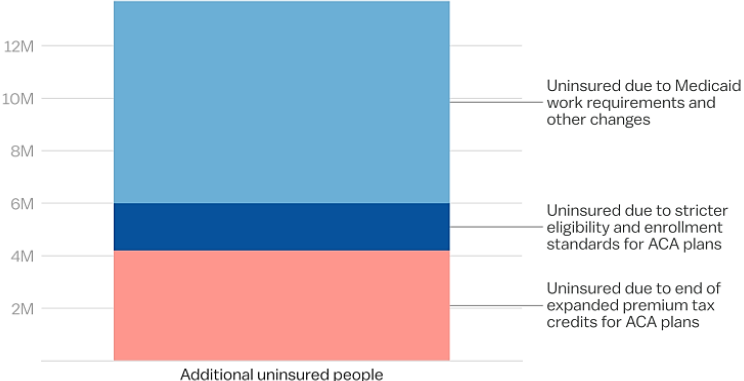
Tax cuts are the primary reason the debt will increase

Projected increase to the US deficit from the House spending bill through 2034, by House committee.

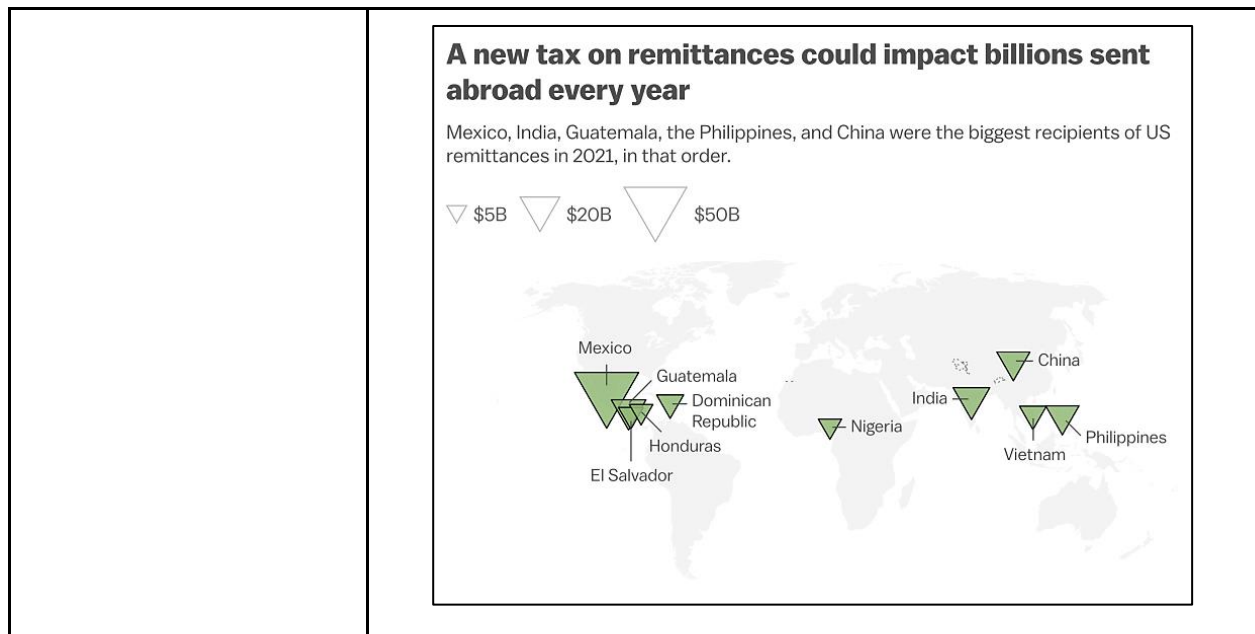


Data as of May 18, 2025.

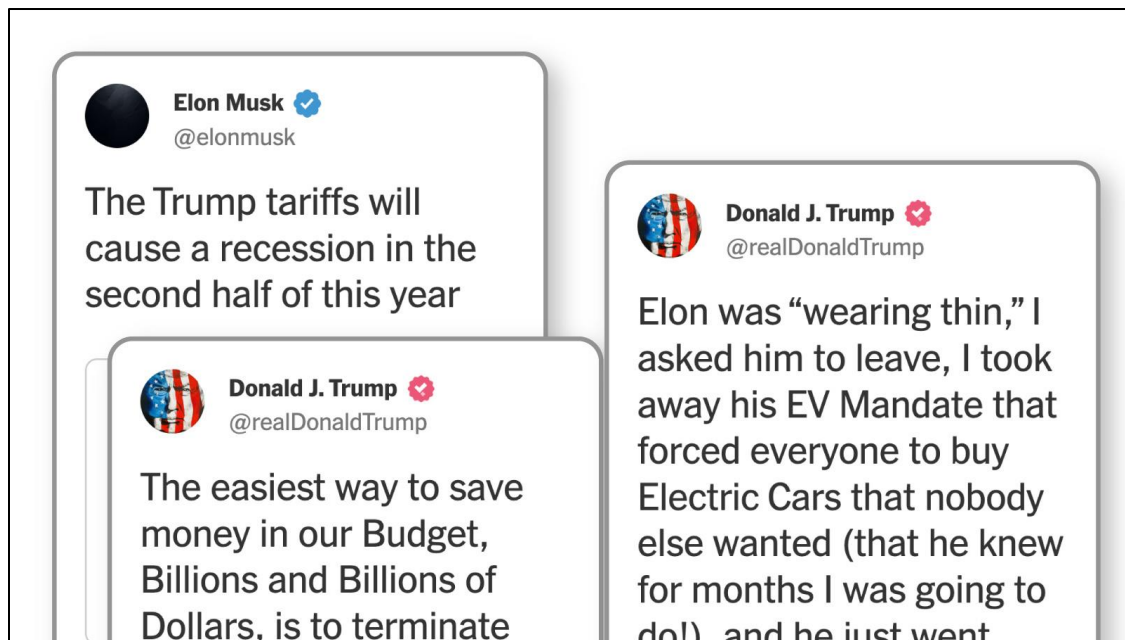
<p>Millions could become uninsured under the spending bill</p>	<ul style="list-style-type: none"> ● Republicans have also included measures in the bill that would greatly increase the number of people without health insurance, according to a CBO estimate. ● Enhanced premium tax credits for ACA insurance plans are set to lapse this year, and the bill does nothing to extend them. If the credits expire, premiums will increase for the millions of Americans who currently rely on them. ● After the Covid-19 stimulus bill was signed in 2021, these tax credits became available to anyone whose premiums were over 8.5 percent of their household income — not just people earning up to 400 percent of the federal poverty line. ● Enrollment in ACA plans subsequently doubled to 24.3 million people between 2020 and 2025. ● The House bill would allow those expanded tax credits to expire this year, effectively driving people out of the ACA marketplaces with higher costs. ● Another provision would significantly decrease Medicaid enrollment by creating a requirement that people work, train for a job, volunteer, or go to school for at least 80 hours per month in order to qualify for benefits. ● While not directly slashing Medicaid benefits, the work requirement would create additional barriers to Medicaid access, including administrative hurdles that could
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	<p>result in lower enrollment even among people who do work. (It's worth noting that most nondisabled Medicaid recipients already work.)</p> <ul style="list-style-type: none"> ● Some states have already implemented similar work requirements with disappointing results. ● Arkansas and Georgia saw Medicaid enrollments plummet thereafter, with a court eventually overturning the Arkansas requirements on the basis that they violated federal Medicaid law. <p>13.7 million Americans could become uninsured</p> <p>An earlier but similar version of the House spending bill found that proposed changes to Medicaid and Affordable Care Act marketplaces could drastically increase the number of people without health insurance by 2034.</p>  <p>Additional uninsured people</p> <p>Data as of May 11, 2025.</p>
<p>The spending bill disproportionately benefits the rich</p>	<ul style="list-style-type: none"> ● Under the tax cuts passed by Trump during his first term, the top 1 percent of earners saw the most significant gains, both in dollar amounts and as a percentage of their incomes. ● This time is no different. Top earners will again profit significantly from the House spending bill, according to the CBO.

	<ul style="list-style-type: none">● The lowest earners, meanwhile, will see their household resources shrink, primarily due to reduced access to public benefits programs such as Medicaid and SNAP and higher ACA insurance premiums. <div><p>Poorer households will end up with fewer resources — and richer ones will have more</p><p>Projected change in household resources as a percentage of income due to the House spending bill.</p><table><thead><tr><th></th><th>Bottom 10 percent of earners</th><th>Top 10 percent of earners</th></tr></thead><tbody><tr><td>2027</td><td>-2%</td><td>4%</td></tr><tr><td>2029</td><td>-4%</td><td>3%</td></tr><tr><td>2031</td><td>-4%</td><td>1%</td></tr><tr><td>2033</td><td>-4%</td><td>2%</td></tr></tbody></table><p>Data as of May 20, 2025.</p></div>		Bottom 10 percent of earners	Top 10 percent of earners	2027	-2%	4%	2029	-4%	3%	2031	-4%	1%	2033	-4%	2%
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<p>The bill could have a big impact on immigrant populations and their families abroad</p>	<ul style="list-style-type: none">● The House bill advances numerous provisions targeting immigrants and undermining their US-citizen relatives, from restricting access to public benefits for families in which at least one person is undocumented to imposing new fees on asylum-seekers.● However, there is one that would have a sizable impact well beyond America’s borders: a new tax on remittances, the payments that immigrants typically send to their families in their home countries.● The US is the largest source of remittances worldwide.● Some of the top receiving countries include America’s neighbors in Central and South America — countries that have produced high numbers of migrants in recent years.															

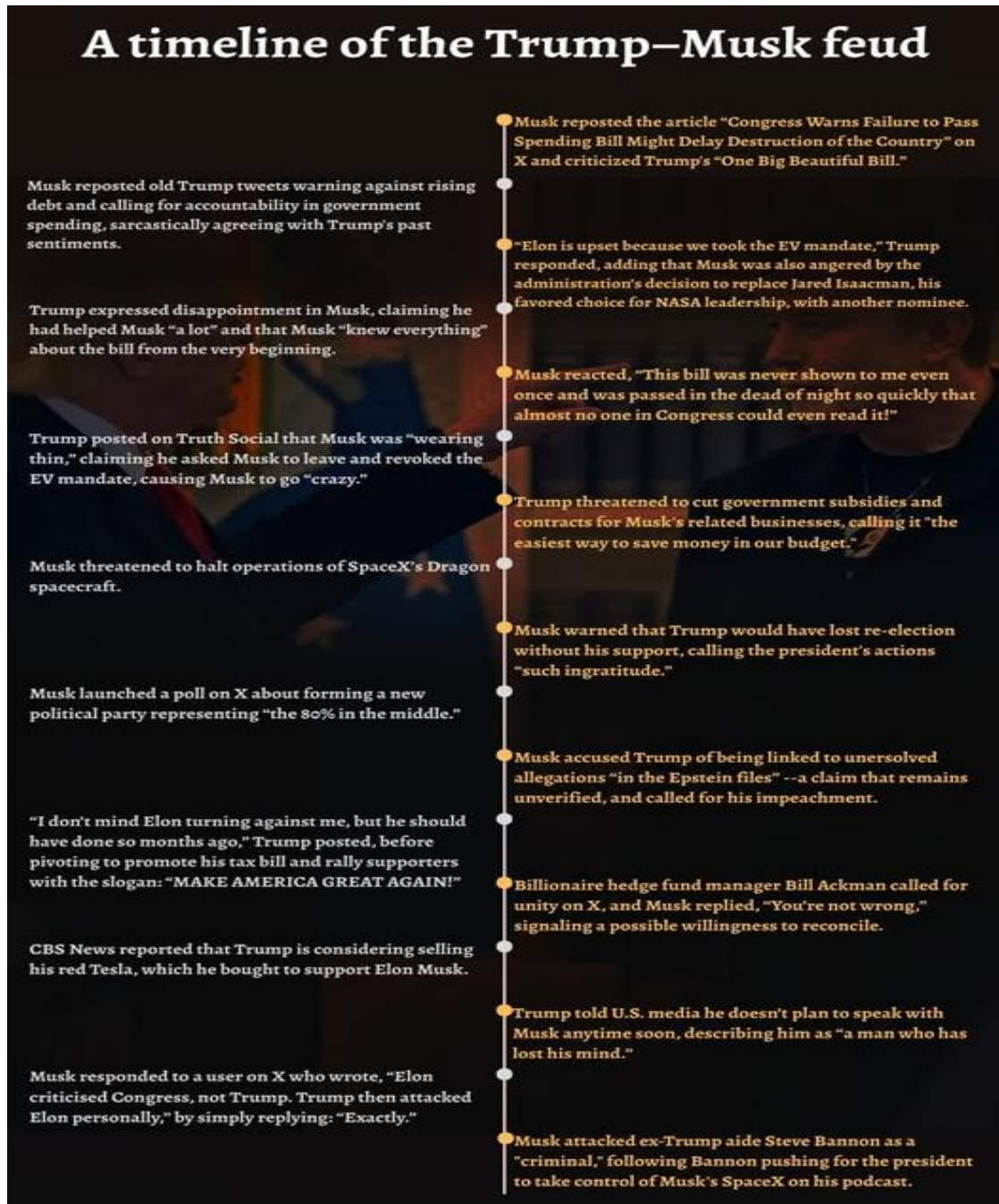


What is the timeline of the Trump–Musk feud?



- Billionaire Elon Musk said on **Wednesday (June 11, 2025)** that he regrets some of the posts he made last week about **U.S President Donald Trump**, in a post on his social media platform **X**.
- Musk’s statement came just days after **Trump warned him of “serious consequences”** if he attempted to target **Republicans backing a contentious spending bill**.

- The two have been **trading barbs** on social media since last week, with **Musk calling Trump's sweeping tax and spending proposal a "disgusting abomination."**
- **Elon Musk**, who previously served for **130 days** as a **"special government employee"** heading the **Department of Government Efficiency (DOGE)**, has been critical of **President Donald Trump's** spending bill since stepping down from the role.



FIRST BUDDIES

Jul 13, 2024

Musk endorses Trump after assassination attempt

Nov 5, 2024

Trump and Musk spend election night together

Jan 20, 2025

Musk has ringside site at inauguration

Mar 11, 2025

Trump and Musk hold Tesla event at White House

May 29, 2025

Musk announces White House departure

Oct 5, 2024

Musk appears with Trump at assassination rally site

Nov 12, 2024

Trump announces Musk will lead DOGE

Feb 11, 2025

Musk appears in Oval Office

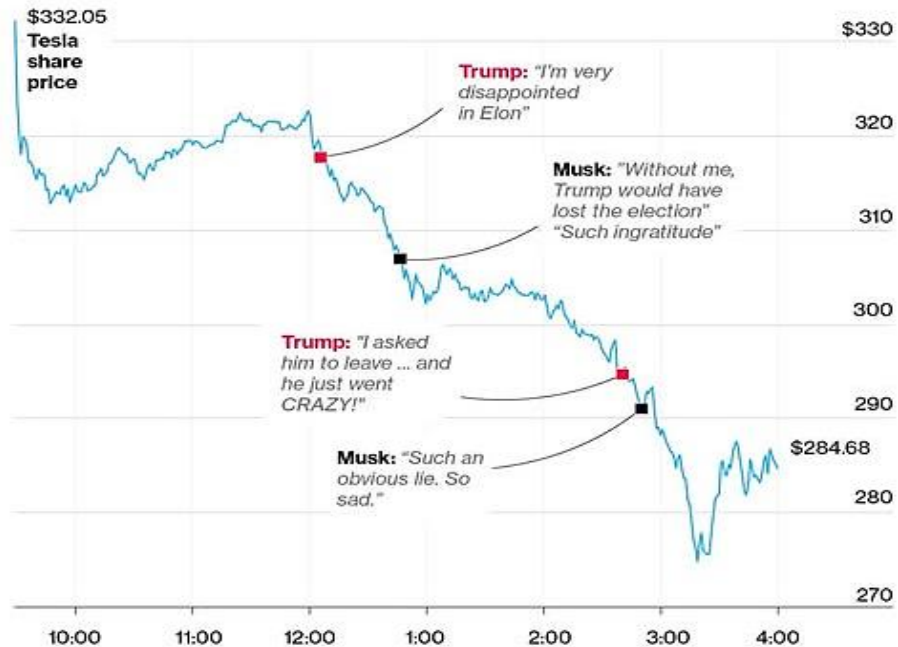
May 27, 2025

Musk first attacks the 'Big Beautiful Bill'

Jun 5, 2025

Musk and Trump feud explodes with dueling posts on X and Truth

The Trump-Musk feud timeline: How their fight went online and sent Tesla shares tumbling



Trump-Musk Feud Timeline

Created by genuine impact

5-Day Stock Performance
(as of Market Close on June 6, 2025)



Trump-Musk Feud

- Market cap lost over \$150B
- Tesla Stock Crashes 14%

Musk Softens Tone

- Musk backs down on threat to retire SpaceX Dragon spacecraft amid Trump dispute.
- Tesla stock rebounds +3.67%

How has Donald Trump benefited from Elon Musk during the 2024 Presidential Elections?



1 Political Endorsement & Role

- Musk, who once voted for Democrats, has now shifted to support Trump in the 2024 election.
- Endorsed Trump publicly in July and appeared with him at rallies.
- Musk is promised a role as head of a government efficiency commission if Trump wins. He vows to use this position to eliminate regulations he believes hurt business growth.

3 Musk's Influence via X Platform

- 202 million followers on X (formerly Twitter), used to amplify pro-Trump content.
- Posts have included misinformation about election fraud and immigration, some of which were flagged as misleading.
- Civil rights groups and researchers criticize Musk's handling of content moderation, raising concerns about election interference and misinformation on the platform.

2 America PAC – Musk's Political Funding Machine

- Musk's PAC, America PAC, has contributed over \$120 million towards Trump's campaign.
- Focused on mobilizing voters in battleground states, though struggling to meet voter-contact goals.
- America PAC is under investigation due to discrepancies in canvasser reports about voter contacts.

4 Million-Dollar Giveaways

- Musk is offering \$1 million daily to randomly selected petition signers who pledge support for the 1st and 2nd Amendments.
- The giveaway has sparked legal debates about election law violations, with critics labeling it a ploy to support Trump's campaign.
- Winners are featured on X, drawing millions of views.

5 Campaign Barnstorming & Misinformation

- Musk has appeared at multiple rallies with Trump, particularly in Pennsylvania.
- At rallies, Musk echoed Trump's claims about election fraud and encouraged people to use X to post potential evidence of cheating.

How Trump's 'Big, Beautiful Bill' Impacts Funds Transferred To India?

US President Donald Trump's 'One Big Beautiful Bill'

Big Impact For Indians?

Here's an overview of the bill which will make sending money back home more expensive for thousands of Indian residents and non-resident Indians living in America.

New 5% Tax on International Money Transfers

➡ Bill proposes a 5% tax on all international money transfers made by non-US citizens, including H-1B visa holders and green card holders

➡ No exemption threshold limit has been set, meaning it would even apply to transfers of small denominations



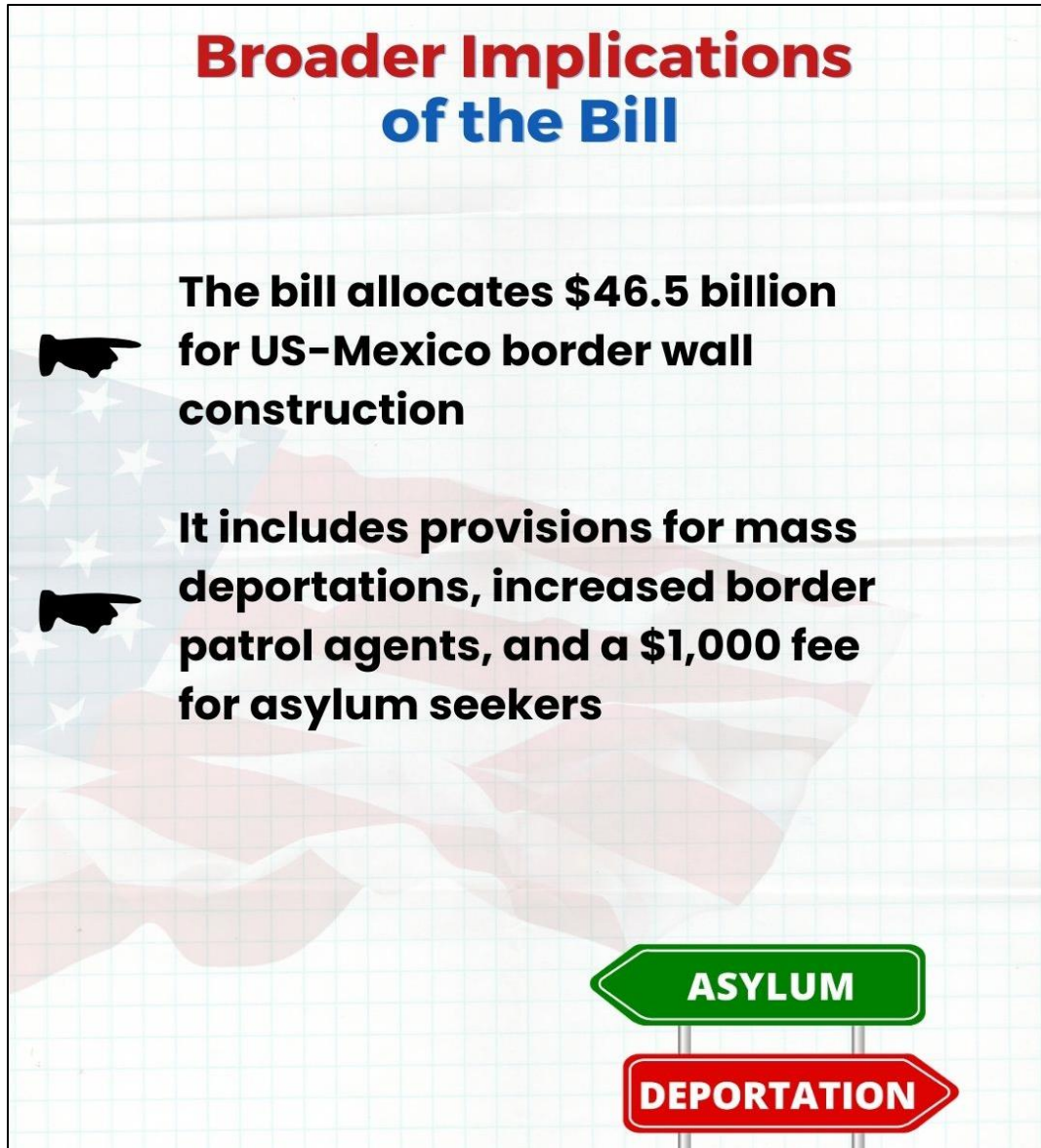
Financial Impact on Indian Diaspora



With Indians in the U.S. sending approximately \$32 billion annually to India, the 5% tax could result in a \$1.6 billion loss each year



The law could come as a massive financial blow to nearly 45 lakh Indians living in the US, including nearly 32 lakh persons of Indian origin



- According to the **World Bank and Reserve Bank of India (RBI)**, India received approximately **\$129 billion in remittances in 2024 alone.**
- The figure is almost as much as the **annual budgets of Pakistan (\$67 billion) and Bangladesh (\$68 billion) combined.**
- The largest portion of this **sum originates from Indian workers in the United States.**
- The proposed new **tax could drain billions** from the **pool of funds that support millions of households in India.**

- In the last 10 years, India's overall remittances grew by **57 per cent**. In total, between **2014 and 2024**, India has received nearly \$1 trillion dollars (\$982 billion) only in remittances.
- The tax could disproportionately affect states where remittance flows are critical to household consumption.
- **Kerala, Maharashtra, Uttar Pradesh, and Bihar** are among the top recipients.

How has Trump's 'Big, Beautiful Bill' impacts India's Migrant Labour?

BREAKING NEWS:

NEW US TAX COULD AFFECT INDIANS SENDING MONEY TO INDIA

Trump's "BIG BEAUTIFUL BILL PROPOSAL:

- India receives **\$130 billion** in remittances annually (HIGHEST globally)
- **\$30 billion** comes from US (23 % of India's total)
- 5% tax = **\$1.5 billion** (₹10,000+ crore) going to US govt instead of Indian families

- **India's international migrant population** rose from **6.6 million in 1990** to an estimated **18.5 million by 2024**.
- While the **Gulf continues to host a larger portion** of these migrants, a significant share now **resides in developed economies**, particularly the **United States**, where Indian professionals dominate high-earning sectors like **IT, healthcare, finance, and engineering**.
- Recent figures show that nearly **78 per cent of Indian workers in the US are employed in high-income professions**, contributing to a sharp increase in total remittances from the US, which accounted for almost **28 per cent of India's total in 2023-24**, up from **23.4 per cent in 2020-21**.
- "The proposed **US tax on remittances sent abroad by non-citizens is raising alarm in India**, which stands to **lose billions in annual foreign currency inflows if the plan becomes law**," the Global Trade Research Initiative (GTRI) said.

What are the Epstein files?

- The “**Epstein files**” are a collection of documents compiled by US federal authorities during investigations into the **activities of Jeffrey Epstein**, the now-deceased financier and **convicted sex offender**.
- These files include **flight logs, contact lists, court records** and other materials documenting his activities and associations with high-profile individuals.
- The first major release of the documents took place in **January 2024**, when a **federal judge ordered the unsealing of records from a 2015 defamation lawsuit** against Epstein’s associate, **Ghislaine Maxwell**.
- In **February 2025**, the Department of Justice and Federal Bureau of Investigation (**FBI**) followed up with an official declassification of additional documents, many of which had **already leaked, featuring redacted flight logs and contact books**.

- **US Attorney General Pamela Bondi** stated that the **FBI is reviewing** tens of thousands of documents, with further releases pending necessary redactions to protect victims and ongoing investigations.
- In September 2024, **Trump had promised that he would release footage of "Epstein files" if he is re-elected as president.**

What has Musk accused Trump of in relation to the Epstein files?

- The tech billionaire and **owner of Tesla and Starlink, Elon Musk**, has accused **United States President Donald Trump** of being one of the **names in the still-sealed Epstein files**, and claims that this is the **real reason key documents are still being withheld from the public.**

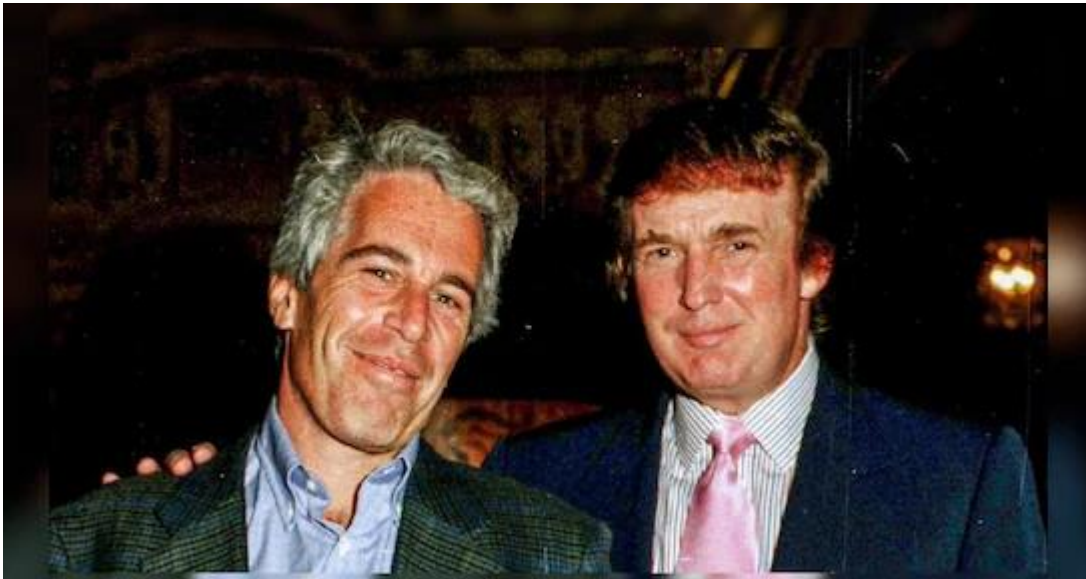


- In a post on his social media platform X, Musk wrote: ***"@realDonaldTrump is in the Epstein files. That is the real reason they have not been made public."*** He did not provide any evidence to support this claim.

Has Trump responded to Elon Musk allegations?

- **President Trump did not immediately respond to Musk's claim about the Epstein files, stating only that Musk was a "man who has lost his mind" in calls with several TV channels.**
- **He said he was "not particularly" interested in any sort of reconciliation, adding, "the poor guy's got a problem."**

What do we know about Trump's relationship with Epstein?



- **Trump and Epstein were acquaintances in the 1980s and 1990s, often seen at social occasions together in New York and Palm Beach, Florida.**
- **Their appearances together were documented in news coverage and social pages at the time, while US media reported the two became close during the 1990s when Epstein bought a mansion near Trump's Mar-a-Lago compound in Palm Beach.**
- **A 1992 video published by NBC News shows Trump and Epstein socialising and watching dancers at a party hosted at Mar-a-Lago.**
- **In a 2002 profile of Epstein by New York Magazine, Trump was quoted describing Epstein as a "terrific guy" who enjoyed the company of beautiful women "on the younger side".**

- Epstein's "**Black Book**" which is a contact directory obtained in **2015** by **Gawker**, a **now-defunct US blog** that covered celebrities and media, was later submitted as court evidence and listed **multiple phone numbers and addresses for Trump**, including his office, home and Mar-a-Lago.

What is the relevance of the topic for UPSC CSE?

- **Mains:** Global trade conflicts and their impact on emerging economies, India-US relations, Immigrant issue in USA.

SOME PREVIOUS YEARS MAINS QUESTIONS

- Q1. ‘What introduces friction into the ties between India and the United States is that Washington is still unable to find for India a position in its global strategy, which would satisfy India’s National self-esteem and ambitions’. Explain with suitable examples. (2019)

SOME QUESTIONS FROM THIS YEAR AND PREVIOUS YEARS INTERVIEW TRANSCRIPTS.

Board Suman Sharma mam:

- The US is imposing high tariffs on Vietnam but if Vietnam decides to impose zero tariffs on the US, how will it impact the economy of US and Vietnam?
- How will it impact the economy of some third country?
- What are the rules of origin?

Board BB Swain sir:

- Mention a few Largest Media houses in the US ?

Board Suman Sharma mam:

- Which is the 1st Indian company to issue an IPO in the US?

Board BB Swain sir:

- The USA is attacking Iran — do you know of any movement in that region?
- What's your take on this US action?
- Don't you think this will push Iran further into instability?
- What could be the implications of such an action?
- How much nuclear enrichment has Iran done so far?
- How much time will it take for Iran to create a bomb?
- Can the US destroy Iran's bombs completely?

Board Sanjay Verma sir:

- What should be the best possible stance for any country and India in view of US Tariffs?
- How does the US benefit from having the reserve currency as its currency?

Some Questions for QUIZ.

Q1. Consider the following Countries:

1. Canada
2. Denmark
3. Italy
4. Norway
5. United States of America

How many of the above countries are part of the NATO grouping?

- (a) Only two
- (b) Only three
- (c) Only four
- (d) All five

Answer: D

Some Questions for POLL.

Q1 Do you think the One Big Beautiful Bill is a boon for the USA?

- a. YES
- b. NO
- c. Can't say.

Q2 Should India oppose Trump's One Big Beautiful Bill?

- a. YES
- b. NO
- c. Can't say.

