

OPINION BEST OF THE WEB

Tax Cuts Exceed Expectations

Refund season more voluminous than forecast.



By [James Freeman](#) [Follow](#)

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President Donald Trump during a roundtable discussion on his One Big Beautiful Bill law in Las Vegas last month. WIN MCNAMEE/GETTY IMAGES

There are bound to be at least a few mixed feelings when a tax refund is larger than expected. Yet the disappointment that one has given the government a sizable interest-free loan tends to be vastly outweighed by the thrill of more cash in hand. Now there seem to be plenty of thrilled refund recipients as the Trump income-tax cuts turn out to be larger than forecast. Meanwhile, the Supreme Court's elimination of some Trump tariffs is resulting in thrilling news for shareholders.

Don Schneider at [Piper Sandler](#) writes in a note to clients today:

The final bits of data for the tax filing season are in and the One Big Beautiful Bill Act (OBBBA) delivered beyond our expectations. Our analysis of the official government revenue estimate implied \$106 billion in retroactive tax cuts for individuals would be disbursed during the filing season (not including retroactive capex related benefits for pass through businesses). Based on the incoming data,

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it appears tax relief could be as high as \$148 billion (0.5% of GDP) – with \$48 billion coming from tax refunds and \$100 billion in the form of lower taxes owed when filing. When coupled with lower income tax withholding throughout the year (which provides another \$30 billion in tax cuts), middle and upper-middle income consumers are well positioned to absorb higher gas prices stemming from the Iran War.

On the corporate side, Laya Neelakandan reports for CNBC:

Months after the Supreme Court ruled some tariffs were unconstitutional, the first round of tariff refunds has begun flowing in.

Oshkosh Corporation CFO Matt Field confirmed to CNBC that the company has started receiving tariff refunds as of Tuesday.

“Following acceptance of our initial filing, we have begun receiving payments on our tariff refund claims, representing an initial portion of our total claims submitted,” Field said...

Basic Fun, the company behind Care Bears and Tonka trucks, also told CNBC it began receiving tariff refunds on Tuesday.

... U.S. Customs and Border Protection said in a court filing that it anticipated paying refunds of \$35.46 billion on 8.3 million shipments, as of Monday morning.

In Other News

Is Anyone Thrilled Doing Business in California?

There’s not much that U.S. Customs and Border Protection can do to improve the Golden State business climate.

Itzel Luna reports for the Los Angeles Times:

Five Guys will close two Los Angeles-area locations later this month.

The burger chain announced in a recent state filing that its locations in City of Industry and Whittier will close in late May. An outlet in Merced will also close its doors in late June, and one in Hanford will shut down in early July, according to state court filings.

The burger giant is the latest fast-food chain to shutter locations as the industry struggles with rising labor and real estate costs in the state.

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The company cited “financial hardship” as a reason for the closures, according to a filing.

A lot more than five guys have struggled to make burger joints work in California lately. In 2025 a [Journal editorial noted](#) a new paper from the National Bureau of Economic Research:

There’s no such thing as a free fast-food lunch. Last year California super-sized its minimum wage to \$20 an hour for employees at big quick-serve restaurant chains, and new research confirms that Sacramento did not repeal the basic laws of economics. According to the study, California only months later had 18,000 fewer fast-food jobs than if the law had never passed.

Speaking of laws that should never have passed, California politicians are rolling out another ill-considered policy and its burden will not just fall on fast-food restaurants. Susanne Rust [recently reported](#) in the L.A. Times:

Within days of California’s long-anticipated single-use plastic law going into effect, environmentalists, anti-waste activists and the packaging industry reacted with anger and frustration...

Jan Dell of Last Beach Cleanup, an anti-plastic waste group based in Laguna Beach, doesn’t believe the law will work — irrespective of the final regulations — and said the “exorbitant” cost of its implementation will either spur producers to sue, or they’ll end up passing the higher costs on to consumers.

She referred to a report from the Circular Action Alliance, the state-sanctioned group established to represent and oversee the implementation of the law on behalf of the plastic and packaging industry. It finds the law will increase the cost of disposal between six and 14 times for common products, such as Windex bottles, made of polyethylene terephthalate.

“If the producers don’t successfully sue to stop the fees, this will certainly add to product inflation for CA consumers,” she said in an email. “Californians already have to pay exorbitantly high curbside collection fees for trash, recycling, and organics ... so, starting in 2027, our groceries will cost a LOT more but we won’t see a reduction in our waste bills.”

Christopher “Smitty” Smith, a partner at law firm Saul Ewing in Los Angeles... said that although he could see areas of the law that “could be sharper and avoid the legal challenges ... you can’t stop people from suing.” Environmentalists and anti-waste activists say they are preparing a lawsuit...

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One of his national fast-food chain clients has realized that if its brand name is on plastic packaging, it's that company's responsibility, he said, so "they've spent the past year mapping out their franchise agreements, their supply chain agreements, their producer agreements, to figure out" what it needs to do to comply.

This suggests a new potential slogan for a beloved purveyor of delicious fare:

Five Guys for Juicy Burgers... and ten guys to do the paperwork!

Physician, Heal Thyself...or at Least Heal *Somebody*

Adam Wren and Daniel Lippman report for Politico:

Michigan Democratic Senate candidate Abdul El-Sayed for years has publicly said he's a physician — but there's overwhelming evidence that he's had no experience as a licensed medical doctor.

This April, he gave an interview to a local TV journalist where he talked up his credentials as a physician multiple times. In March, he told a group of Teamsters nurses that he had "been in enough codes to watch who really does the work" and said that same month on a podcast that "I've been a doctor my whole career."

His LinkedIn profile currently says he's a "physician," and late last month he called himself "a physician and epidemiologist" at a Council of Baptist Pastors debate in Detroit.

But according to a review of Michigan and New York state medical records, he's never been granted a medical license in those states...

"He has earned the right to be called 'doctor' twice over," El-Sayed spokesperson Roxie Richner said in a statement. Richner didn't respond to questions about his use of the word "physician." El-Sayed has said in the past that he decided not to practice medicine after treating a patient during medical school and decided he wanted to address systemic issues, instead of individual patients.

James Freeman is the co-author of "The Cost: Trump, China and American Revival" and also the co-author of "Borrowed Time: Two Centuries of Booms, Busts and Bailouts at Citi."