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Impacts of Proposed SALT Cap Hike on Bond & Stock ETF Investments.

The Republican-controlled U.S. House passed President Trump's tax and spending bill by a razor-thin margin of 215-214 votes, adding $3.8 trillion to the national debt. The bill is now headed for the Senate approval. The bill raised the SALT (State and Local Tax) deduction cap to $40,000 (from the current $10,000 limit).

The concession on SALT came after a group of blue-state Republicans, who described themselves as the "SALTY five," hoped for more generous provisions. The new deduction cap applies to those earning under $500,000.

However, the bill is facing fierce opposition from fiscal conservatives, especially around provisions on Medicaid reforms and green energy credits. Analysts warn the expanded bill can add more than $3 trillion to the deficit, which has rattled bond markets and contributed to a U.S. credit rating downgrade by Moody's

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