Though its focus was on taxes, the measure approved Tuesday would prevent a potential doubling of milk prices and prevent a $900 salary increase for members of Congress in March.

WASHINGTON (AP) -- Congress' excruciating, extraordinary New Year's Day approval of a compromise averting a prolonged tumble off the fiscal cliff hands President Barack Obama most of the tax boosts on the rich that he campaigned on. It also prevents House Republicans from facing blame for blocking tax cuts for most American households, though most GOP lawmakers parted ways with Speaker John Boehner and opposed the measure.

Passage also lays the groundwork for future battles between the two sides over federal spending and debt.

Capping a holiday season political spectacle that featured enough high and low notes for a Broadway musical, the GOP-run House voted final approval for the measure by 257-167 late Tuesday. That came after the Democratic-led Senate used a wee-hours 89-8 roll call to assent to the bill, belying the partisan brinkmanship that colored much of the path to the final deal.

"A central promise of my campaign for president was to change the tax code that was too skewed towards the wealthy at the expense of working middle-class Americans," Obama said at the White House before flying to Hawaii to resume his holiday break. "Tonight we've done that."

The bill would boost the top 35 percent income tax rate to 39.6 percent for incomes exceeding $400,000 for individuals and $450,000 for couples, while continuing decade-old income tax cuts for everyone else. In his re-election campaign last year Obama had vowed to boost rates on earnings at somewhat lower levels - $200,000 for individuals and $250,000 for families.

Scores of GOP lawmakers voted for the measure, reversing a quarter-century of solid Republican opposition to boosting any tax rates at all.

The bill would also raise taxes top earners pay on dividends, capital gains and inherited estates; permanently stop the alternative minimum tax from raising levies on millions of middle-income families; extend expiring jobless benefits; prevent cuts in Medicare reimbursements to doctors; and delay for two months billions in budget-wide cuts in defense and domestic programs slated for this year.

Both sides lamented their failure to reach a significant deficit-cutting agreement. But neither much mentioned another omission: The immediate expiration of a two-year, 2-percentage-point cut in the Social Security payroll tax.

That break, which put an extra $1,000 in the wallets of typical families earning $50,000 a year, was an Obama priority two years ago as a way to boost consumer spending and spark the flagging economy, but it fell victim this time to other priorities.

House Democrats voted by an overwhelming 172-16 for the agreement, which was crafted over the weekend by Senate Minority Leader Mitch McConnell, R-Ky., and Vice President Joe Biden.

But Republicans tilted against it 151-85. It is rare for leaders to bring a bill to the House floor that will be opposed by most lawmakers from their own party, and the decision underscored the pressure GOP leaders felt to approve the legislation.

Boehner, R-Ohio, took no public stance on the measure before the vote. But he guided the compromise to the House floor after an unsuccessful attempt by many conservatives to persuade leaders to add spending cuts to the bill.

Had the House inserted those budget cuts and the Senate refused to consider them, the legislation could have died. That left House Republicans worried that voters might blame them for a huge, sweeping tax increase and for any swoon the nation's financial markets might take when they reopened Wednesday.

"You can be right and you can be dead right. Which is it?" said Rep. Rich Nugent, R-Fla., of the quandary Republicans faced. "Right now you need to take the tax issue off the table" and move on to a focus on curbing spending, he said.

Boehner voted for the bill, an unusual step because speakers seldom vote, and he was joined by Rep. Paul Ryan, R-Wis., the GOP's vice presidential candidate last fall. Voting "no" were the other two top GOP leaders, Reps. Eric Cantor of Virginia and Kevin McCarthy of California.

Passage came nearly 24 hours after a decade's worth of tax cuts enjoyed by tens of millions of Americans expired with the stroke of the new year, technically raising taxes by more than $500 billion in 2013 alone.

Those tax increases - plus $109 billion in defense and domestic spending cuts that were to be automatically triggered Wednesday - became known as the fiscal cliff. Economists warned that their combined impact would hurl the economy back into recession, but Obama's signature on the bill would prevent the "cliff" from taking hold.

Obama can sign the bill remotely using a machine called an "autopen," or the bill can be flown to Hawaii for his signature.

Overall, the legislation would add nearly $4 trillion to federal deficits over the next decade

compared with what would have happened had all the tax cuts expired, according to the nonpartisan Congressional Budget Office.

"I'm embarrassed for this generation. Future generations deserve better," complained one foe, Rep. Louie Gohmert, R-Texas.

The agreement's journey to passage was a tortured one. It included negotiations between Obama and Boehner on a larger, deficit-cutting deal that collapsed, and a failed effort by the speaker to drum up enough GOP votes to pass a "Plan B" that would have limited tax boosts to incomes exceeding $1 million.

It took weekend talks between McConnell and Biden, former Senate colleagues, to craft the more modest package that focused on averting the worst impacts of the fiscal cliff while postponing any deficit reduction efforts to coming months.

Those first showdowns will come over the next three months, when the government's legal ability to borrow money will expire and temporary financing for federal agency budgets will expire. Republicans have already said that, as they did in 2011, they will demand spending cuts as a condition for extending the debt ceiling.

"Now the focus turns to spending" and overhauling the tax code, Boehner said in a written statement after the vote. He said the GOP will fight for "significant spending cuts and reforms to the entitlement programs that are driving our country deeper and deeper into debt," a reference to costly benefit programs like Medicare, Social Security and Medicaid.

Spending cuts are "going to be a component of every single battle we have" in the new Congress, conservative GOP Rep. Marsha Blackburn of Tennessee told CNN on Wednesday.

Obama, in his White House remarks, said that while he was open to compromise, he would demand deficit-cutting savings from added revenue on the well-off, not just spending cuts.

He also pointedly said he would "not have another debate with this Congress" over extending the federal borrowing limit.

"If Congress refuses to give the United States government the ability to pay these bills on time, the consequences for the entire global economy would be catastrophic - far worse than the impact of a fiscal cliff," he said.

Though its focus was on taxes, the measure approved Tuesday would prevent a potential doubling of milk prices and prevent a $900 salary increase for members of Congress in March. Its extension of jobless benefits would help 2 million people out of work at least six months, and it would prevent a 27 percent cut in reimbursements doctors get for treating Medicare patients.

Weighing in with criticism of the compromise were the chief authors of an influential bipartisan deficit-cutting proposal, former GOP Sen. Alan Simpson and Democrat Erskine Bowles, a former White House chief of staff under President Bill Clinton. They called the measure "truly a missed opportunity to do something big to reduce our long term fiscal problems."

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