$$\mathcal{L} = u(C_t) + \beta u(C_{t+1}) - \lambda\left(p_t C_t + p_{t+1} C_{t+1}\left(\frac{1}{1+r}\right) - M\right)$$

$$\frac{\partial \mathcal{L}}{\partial C_t} = \left(\frac{\partial u}{\partial C_t}\right) - \lambda p_t = 0 \qquad \frac{\partial \mathcal{L}}{\partial C_{t+1}} = \beta\left(\frac{\partial u}{\partial C_{t+1}}\right) - \lambda p_{t+1}\left(\frac{1}{1+r}\right) = 0$$

$$\Rightarrow \quad \beta\left(\frac{\partial u}{\partial C_{t+1}}\right) = \left(\frac{p_{t+1}}{p_t}\right)\left(\frac{1}{1+r}\right)\left(\frac{\partial u}{\partial C_t}\right)$$

so if there is a temporary tax cut so that $P_t = P$ and $P_{t+1} = P(1+\theta)$ then the Euler Equation becomes:

$$\frac{\beta(1+r)}{(1+\theta)}\left(\frac{\partial u}{\partial C_{t+1}}\right) = \left(\frac{\partial u}{\partial C_t}\right) \qquad \boxed{1}$$

Without the tax cut, the Euler equation is:

$$\beta(1+r)\left(\frac{\partial u}{\partial C_{t+1}}\right) = \left(\frac{\partial u}{\partial C_t}\right) \qquad \boxed{2}$$

These are most easily interpreted if we consider Logarithmic utility as an example, so that $U(C_t) = \ln(C_t)$ and $\frac{\partial u}{\partial C_t} = \frac{1}{C_t}$. Thus $\boxed{1}$ and $\boxed{2}$ become

$$\frac{\beta(1+r)}{(1+\theta)}\left(\frac{1}{C_{t+1}}\right) = \frac{1}{C_t}$$

$$\Rightarrow \quad C_t = C_{t+1}\left(\frac{1+\theta}{\beta(1+r)}\right) \qquad \boxed{1}$$

$$C_t = C_{t+1}\left(\frac{1}{\beta(1+r)}\right) \qquad \boxed{2}$$

So, the increase in C_t relative to C_{t+1} caused by the tax cut is, in this case $\frac{\theta}{\beta(1+r)} = \Delta\left(\frac{C_t}{C_{t+1}}\right)$. So the response of current consumption is increasing in the tax rate/cut θ and decreasing in β and r (if the consumer is more patient or the interest rate higher then it becomes more costly in terms of future utility to spend more and so save less/borrow more in the current period (ie today), so the consumer increases consumption by less.