



Tax News & Views

In this issue:

Round two, is Congress done yet?..... 1

IRS revokes broker reporting rules3

Notice 2025-31 – Treasury and IRS update Statistical Area Category and Coal Closure Category for energy community bonus credit 4

Round two, is Congress done yet?

Fresh off passage of the bill informally known as the One Big Beautiful Bill Act (OBBBA), Republican members on both sides of the Capitol are already discussing the possibility of a second budget reconciliation package this fall – potentially offering a vehicle to revisit unresolved priorities, address perceived shortcomings in the new law, or even revive provisions that were stripped out during the Byrd Rule process in order to clear the Senate parliamentarian’s review.

For extensive coverage of the OBBBA, see Deloitte Tax LLP’s [A closer look: Inside the new tax law](#).

House Speaker Mike Johnson (R-La.) has outlined plans for a follow-up reconciliation bill this fall and one for the following spring that would again allow Republicans to bypass the usual 60-vote threshold to overcome a filibuster, advancing legislation without Democratic



support. House Budget Committee Chairman Jodey Arrington (R-Texas) echoed this approach, signaling support for a second package to revisit provisions dropped during Senate negotiations, as reported by *Politico* on July 8.

Speaking on *Fox News Sunday* on July 6, Speaker Johnson discussed not only plans to advance two additional reconciliation packages over the next year, but also reflected on the process of moving the OBBBA through Congress. He described the timing challenges involved, including receiving the Senate-passed bill at the beginning of the July 4 week, allowing members an opportunity to review its contents, and ultimately passing it in time for President Trump to sign it by the self-imposed Independence Day deadline.

On the other side of the Capitol, Finance Committee Chairman Mike Crapo (R-Idaho) has also expressed interest in pursuing another party-line package this fall. Earlier this year, Senate Majority Leader John Thune (R-S.D.) had originally envisioned a two-bill strategy: the first focused on border security, defense, and energy production, and the second package would have covered a large, complex tax bill, including making the provisions in the Tax Cuts and Jobs Act ([P.L. 115-97](#)) permanent later in the year. However, Congress ultimately pursued a one-bill reconciliation strategy. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 8, Feb. 21, 2025.)

Despite the optimism of these senior leaders, there are real questions about whether the narrow Republican majorities in the House and Senate will be able to unify around another budget resolution, a needed precursor to consider legislation under reconciliation.

Disagreements continue

While Republicans have praised the OBBBA as a boon for the American people – calling it “jet fuel” to the economy and the benefits it provides for average Americans as Speaker Johnson described on *Fox News Sunday*, Democratic lawmakers remain firmly opposed, arguing that the bill disproportionately benefits the wealthy at the expense of average taxpayers.

Senate Minority Leader Chuck Schumer (D-N.Y.) blasted the OBBBA to reporters on Wednesday and said that “It’s not been a week since President Trump signed his big ugly betrayal and yet, Americans are already starting to feel the impacts.”

Democratic lawmakers have not only voiced their opposition in public statements but have also begun introducing legislation to reverse certain provisions in the OBBBA. One example came on July 9, when Sen. Catherine Cortez Masto (D-Nev.) introduced the Facilitating Useful Loss Limitations to Help Our Unique Service Economy (FULL HOUSE) Act ([S.2230](#)) – a bill co-sponsored by Jacky Rosen (D-Nev.) and joined by at least one Republican colleague, Ted Cruz (R-Tex.) to restore the previous rules for deducting wagering losses.

Under the new law enacted through the OBBBA, deductions for wagering losses are limited to 90 percent of losses incurred during the taxable year – a reduction from prior law in which taxpayers could deduct gambling losses up to the amount of their reported winnings for that same tax year and also for other expenses incurred in connection with gambling activity (such as the otherwise deductible costs of travel to and from a casino).

Sen. Cortez Masto took to the Senate floor to request unanimous consent for passage of the FULL HOUSE Act, but the effort was blocked, though we do expect additional efforts in the House and Senate to address this issue. Similar legislation, also with bipartisan support, has been introduced in the House by Rep. Dina Titus (D-Nev.) ([H.R. 4304](#))

President Trump follows up on solar and wind after OBBBA passage

In the wake of the OBBBA’s passage – praised by President Trump as a “once-in-a-generation piece of legislation that makes good on his campaign promises and puts America First” – he signed an [executive order](#) on solar and wind energy projects, which have been significantly impacted by the new law.

In the order, he directed the Treasury Department to take action within 45 days of enactment to strictly enforce the termination of the clean electricity production and investment tax credits under sections 45Y and 48E, respectively, for wind and solar facilities. This includes issuing new and revised guidance deemed appropriate and consistent with applicable law to ensure that policies concerning the “beginning of construction” are not circumvented, including by preventing the artificial acceleration or manipulation of eligibility and by restricting the use of broad safe harbors unless a substantial portion of a subject facility has been built.



Building on these enforcement measures, the order also directs Treasury – within 45 days of enactment – to take prompt action deemed appropriate and consistent with applicable law to implement the enhanced “Foreign Entity of Concern” restrictions in the OBBBA. (The OBBBA codified the beginning of construction rules by providing that rules similar to the rules provided in IRS Notices [2013-29](#), [2018-59](#) and any subsequent guidance as in effect on January 1, 2025, shall apply for purposes of the prohibited foreign entities restrictions.) (Deloitte Tax LLP’s [A closer look: Inside the new tax law](#) covers restrictions related to prohibited foreign entities in the Energy credits’ section.)

Separately, new rules under the OBBBA establish specific timelines and eligibility criteria for clean energy projects that seek to qualify for remaining tax credits. For the clean electricity production credit, for example, solar and wind energy projects that begin construction more than a year after the law went into effect must be placed in service before 2028 to qualify for the credit. However, if construction begins within 12 months after enactment (on or before July 4, 2026), they are not subject to this credit termination date (December 31, 2027). Instead these facilities must comply with the beginning of construction continuity rules.

Steven Grodnitzky

Tax Policy Group
Deloitte Tax LLP

IRS revokes broker reporting rules

The Internal Revenue Service and the Treasury Department [announced](#) that the final regulations on the broker reporting requirements ([T.D. 10021](#)) titled “Gross Proceeds Reporting by Brokers that Regularly Provide Services Effectuating Digital Asset Sales” – will be removed from the Code of Federal Regulations. As a result, Treasury and the IRS are reverting the text of the section 6045 regulations back to the text that was in effect immediately before the effective date of the final rule. They are implementing a change that aligns with the legislative actions already taken by Congress and President Trump. (For prior coverage, see [Tax News & Views](#), Vol. 26, No. 14, April 11, 2025.)

The enacted [resolution](#), which President Trump signed into law that rescinds the reporting requirements for digital asset brokers involved in decentralized finance transactions, was introduced under the Congressional Review Act (CRA).

The CRA allows Congress to review and disapprove certain rules issued by federal agencies. The process also provides that a disapproval resolution requires only a simple majority for passage in the Senate rather than the three-fifths majority – or 60 votes – typically needed to overcome procedural hurdles in that chamber. If a disapproval resolution reaches the White House and gains the president’s signature, the underlying rule is treated as though it had never taken effect and cannot be reissued in a substantially similar form unless specifically authorized in a subsequent law.

The final regulations sought to amend section 6045 of the Income Tax Regulations by requiring certain participants involved in decentralized finance transactions to report information returns as brokers.

Steven Grodnitzky

Tax Policy Group
Deloitte Tax LLP



Notice 2025-31 – Treasury and IRS update Statistical Area Category and Coal Closure Category for energy community bonus credit

On June 23, 2025, Treasury and the IRS released [Notice 2025-31](#) (“Notice”) and related Appendices 1, 2, 3, 4, and 5 (“Appendices”) to update the Statistical Area Category and the Coal Closure Category, described in sections 3.03 and 3.04 of [Notice 2023-29](#), which taxpayers rely upon to qualify for the energy community bonus credit amounts or rates under sections 45, 45Y, 48, and 48E of the Internal Revenue Code (“Code”).

Deloitte Tax LLP specialists issued a new [tax alert](#) providing background and a summary of the Appendices included in the Notice.

Steven Grodnitzky

Tax Policy Group
Deloitte Tax LLP

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organization”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.