



Tax News & Views

In this issue:

President Trump touts OBBBA in State of the Union address, highlights affordability	1
Trump signs law reversing D.C. rebuke of OBBBA; District officials push back	3
Senate finance leaders team up on sweeping IRS tax administration bill.....	4
Treasury, IRS release guidance on section 987, depreciation, and CAMT; other guidance under OIRA review	5
Bisignano to testify before Ways and Means; JEC to hold hearing on destination-based cash flow tax.....	6
Trade corner: Trump promotes trade policy in SOTU address	6

President Trump touts OBBBA in State of the Union address, highlights affordability

In his nearly two-hour State of the Union (SOTU) address, President Trump highlighted what he described as strong economic growth and improved affordability – characterizing the past year as a “transformation” of the economy. He pointed in particular to the tax benefits of the law commonly known as the One Big Beautiful Bill Act (OBBBA, [P.L. 119-21](#)) enacted last summer, while also urging Congress to codify elements of his healthcare agenda, addressing his tariff and trade policies, and generally touching on a wide variety of other matters over the course of the evening. (Additional details on trade and tariff developments appear later in this edition of *Tax News & Views*.)

OBBBA tax provisions

As taxpayers navigate changes enacted under the OBBBA during the current filing season, President Trump praised the law's benefits, pointing to taxpayer-friendly provisions he said will help everyday Americans, including deductions for tipped income, overtime pay, income

for seniors, and interest on car loans, provided the vehicles' final assembly occurs in the United States. He also cited the creation of "Trump Accounts" – also known as section 530A accounts – which are tax-preferred investment accounts for minors, including a pilot program that provides a one-time \$1,000 seed investment from the federal government for beneficiaries born after December 31, 2024, and before January 1, 2029.

Referring to the "Trump Account" program, the president said that "with modest additional contributions, these young people's accounts can grow to more than \$100,000 by the time they turn 18," describing the initiative as an investment in "our children's future."

For further analysis of the OBBBA, see: [A closer look: Inside the new tax law](#) prepared by Deloitte Tax LLP's professionals.

Additionally, the president sought to illustrate the impact of the OBBBA's tax provisions by highlighting a guest in the audience whose tax bill, he said, would be reduced by more than half because of OBBBA provisions the individual could utilize. Separately, in a White House news release [issued](#) the same day as the SOTU, President Trump stated that "Americans are seeing significantly larger tax refunds this season," due to the OBBBA, citing average refunds that are almost 15 percent higher per filer, and total savings exceeding \$2,400 for many taxpayers.

Reconciliation 2.0?: Notably, the president did not outline a legislative path – such as budget reconciliation – for pursuing new tax cuts this year; by contrast, he urged Congress to codify elements of his healthcare agenda, a move that could itself raise reconciliation considerations (though several such provisions failed to be included in OBBBA as they were deemed to violate the strict rules governing the content of budget reconciliation legislation). At the same time, Senate Republicans are exploring whether reconciliation could be viable later this year for any legislation. In a Fox News interview on Wednesday, Senate Majority Leader John Thune (R-S.D.) said that "we are soliciting ideas from the relevant committees" to determine whether there is a set of issues that could support a reconciliation bill capable of securing 50 votes, pointing to expanded access to retirement accounts for workers as one possible example (see more details later in this story).

Pathway for healthcare priorities

President Trump highlighted his "Great Healthcare Plan," released on January 15, describing it as a patient-focused approach aimed at lowering drug prices, holding large insurance companies accountable, and maximizing price transparency. In that context, he urged Congress to codify a most-favored-nation approach to drug pricing; however, the prospects for advancing these proposals may depend on a variety of factors, including the tight vote math in Congress, with Republicans holding a razor-thin majority. (For prior coverage of President Trump's "Great Healthcare Plan," see [Tax News & Views](#), Vol. 27, No. 3, Jan. 16, 2026.)

In addressing healthcare, Trump emphasized what he said was the importance of preventing insurance companies from capturing the bulk of healthcare spending at the expense of patients. "I want to stop all payments to big insurance companies and instead give that money directly to the people so they can buy their own healthcare which will be better healthcare at a much lower cost," said Trump, outlining an approach that resembles a health savings account-style model.

(President Trump's healthcare plan is available on the White House website at the following links: The Great Healthcare Plan ([link](#)); Fact sheet ([link](#)); and Announcement ([link](#)).

Access to retirement accounts

The president also announced in the SOTU that his administration seeks to expand access to tax-advantaged retirement accounts for those he described as "often forgotten American workers," modeled on benefits available to federal employees through the Thrift Savings Plan (TSP) and including a federal matching contribution of up to \$1,000 annually. (The Saver's Match program – enacted in Division T of the Consolidated Appropriations Act of 2023, [P.L. 117-328](#), commonly known as Secure 2.0 Act – will provide federal matching contributions deposited into qualifying retirement savings accounts for eligible taxpayers beginning in 2027.)

Treasury Secretary and Acting IRS Commissioner Scott Bessent provided additional details on the proposal in an NBC interview following the SOTU address, indicating that it could be advanced through the budget reconciliation process. He framed the proposal as the president's effort to support working Americans – particularly those without access to an employer-sponsored section 401(k) plan – by giving more individuals a stake in long-term savings and capital market participation, similar in concept to the "Trump Account" pilot program. Bessent said that the specifics of this program will be rolled out "in the coming weeks and months."

Investor-owned housing

As part of the president's message on advancing housing affordability and expanding access to homeownership, President Trump cited an executive order he issued on January 20 – titled "Stopping Wall Street from Competing with Main Street Homebuyers." He argued that the order prohibited large investors from buying up single-family homes that should be available for everyday American families and urged Congress to make the policy permanent. (For prior coverage of the executive order, see [Tax News & Views](#), Vol. 27, No. 5, Jan. 30, 2026.)

"We want homes for people, not corporations. Corporations are doing just fine," he said.

On the same day as the SOTU, several Senate Democrats announced a [proposal](#) targeting investor-owned housing. Senate Banking, Housing, and Urban Affairs Committee Ranking Member Elizabeth Warren (D-Mass.) introduced the American Homeownership Act ([S. 3904](#)) which would deny interest and depreciation deductions for corporate landlords. "Democrats are introducing legislation to stop Wall Street from snapping up homes in bulk and jacking up rent for families," said Warren. "This bill will take on predatory landlords while making investments to increase housing supply and boost homeownership for Americans." Seventeen Democrats and one independent who caucuses with the Democrats co-sponsored the bill.

DHS shutdown continues

President Trump delivered his SOTU address as a shutdown at the Department of Homeland Security (DHS) entered its second full week, after the Senate voted down a procedural motion on the House-passed appropriations bill ([H.R. 7147](#)) by 50-45, falling short of the 60-votes needed to advance the measure. In his remarks, the president placed responsibility for the ongoing DHS funding lapse squarely on Democrats, citing their role in both the current standoff and the shutdown last year. DHS remains the final federal department without a full-year appropriations measure. While many DHS activities continue during the shutdown, as the employees are deemed essential, the operational impact may vary by component, as some offices can rely on alternative funding sources while others don't have that option – creating ongoing uncertainty around operations. (For prior coverage of the House-passed appropriations bill, H.R. 7147, see [Tax News & Views](#), Vol. 27, No. 4, Jan. 23, 2026.)

Against that backdrop, congressional Democrats have [sought](#) additional information to assess the administration's immigration enforcement policies. Twenty-one Senate Democrats sent a letter to the nonpartisan Congressional Budget Office Director Phillip Swagel requesting that it provide an independent assessment of the "costs, obligations, and spending patterns" related to the Trump administration's immigration enforcement policies – both at the border and throughout the United States.

Funding standoff dims broader healthcare prospects: As a result of the DHS funding lapse, efforts to use the FY2026 appropriations process as a vehicle for advancing broader healthcare or tax priorities – including an extension of the enhanced premium tax credit (PTC) – have stalled. Notably, while President Trump referenced his "Great Healthcare Plan" and proposals to provide funds directly to individuals during his SOTU address, the future of the enhanced PTC was not discussed, despite having drawn significant attention on Capitol Hill just a month earlier. (For prior coverage of the House passage of the Democratic-led healthcare bill, see [Tax News & Views](#), Vol. 27, No. 2, Jan. 9, 2026)

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Trump signs law reversing D.C. rebuke of OBBBA; District officials push back

In a development tied to the law commonly known as the One Big Beautiful Bill Act (OBBBA, [P.L. 119-21](#)), President Trump signed [H.J. Res. 142](#), a resolution overturning a District of Columbia law that declined to adopt more than a dozen provisions of the OBBBA, including new deductions for tipped income and overtime pay. The resolution disapproved the D.C. Income and Franchise Tax Conformity and Revision Temporary Amendment Act of 2025, which the D.C. Council enacted late last year.

Meanwhile, questions have arisen over whether the 30-day congressional review period under the Home Rule Act had already expired at the time Congress acted on the resolution. On Tuesday, the D.C. attorney general [issued](#) an opinion on H.J. Res. 142's impact on the District's tax laws, concluding that the resolution would not affect District law because it was not enacted into law or cleared both chambers within the 30-



day congressional review window. He also concluded that District taxpayers' 2025 tax liabilities are unaffected by the resolution, leaving the state of the current filing season unchanged.

Earlier this month, D.C. Council Chairman Phil Mendelson had reached the same conclusion, [writing](#) publicly that the review period had lapsed, and asserting that the District's law had therefore taken effect and that the subsequently-passed resolution was ineffective. This dispute over the timing and calculation of the Home Rule Act's review period introduces legal uncertainty and raises the likelihood that the matter could ultimately be resolved through litigation. (For prior coverage, see [Tax News & Views](#), Vol. 27, No. 7, Feb. 13, 2026.)

The effort to overturn the D.C. law followed a [statement](#) late last year by Treasury Secretary and Acting IRS Commissioner Scott Bessent criticizing what he described as "liberal strongholds" – such as Colorado, New York, Illinois, and the District of Columbia – that have declined to conform to certain OBBBA provisions. Bessent urged those states to conform, arguing that nonconformity unfairly affects taxpayers and could hinder broader economic recovery.

"By denying their residents access to these important tax cuts, these governors and legislators are forcing hardworking Americans to shoulder higher state tax burdens, robbing them of the relief they deserve and exacerbating the financial squeeze on low- and middle-income households," Bessent said.

Decoupling from the OBBBA is not limited to traditionally Democratic-led states. In Florida, for example, state lawmakers are advancing legislation in both the House and Senate that would decouple corporate income tax provisions from the OBBBA, including changes related to the immediate expensing of certain research and experimental expenditures. Notably, such measures are limited to corporate taxation and do not extend to individual-level provisions.

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Senate finance leaders team up on sweeping IRS tax administration bill

Cutting against broader partisan gridlock, Senate Finance Committee Chairman Mike Crapo (R-Idaho) and Ranking Member Ron Wyden (D-Ore.) unveiled the Taxpayer Assistance and Service Act (TAS Act), a broad IRS tax administration and procedure package, covering the following 10 areas:

- Tax administration and customer service
- American citizens abroad
- Judicial review
- Office of the taxpayer advocate
- Tax return preparers
- Appeals
- Whistleblowers
- Hostages
- Small businesses
- Miscellaneous

The bill consolidates recommendations from the National Taxpayer Advocate with standalone tax administration bills previously introduced by members of Congress, with the goal of improving IRS-taxpayer communication, streamlining tax compliance, and expanding access to timely, expert assistance.

“The process of filing your tax return and receiving your refund should be simple and fast,” Crapo said. “These reforms will improve the taxpayer experience and help the IRS better serve Idahoans and all Americans.”

“This bipartisan bill has been in the works for years, and it’s a major opportunity to improve IRS taxpayer service, protect taxpayers and help them get their refunds on time. I’m going to look for every available opportunity to get this bill passed,” said Wyden.

The proposal and accompanying documents are available on the Senate Finance Committee website, including a press release ([link](#)); a section-by-section summary ([link](#)); and text of the Taxpayer Assistance and Service Act ([link](#))

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Treasury, IRS release guidance on section 987, depreciation, and CAMT; other guidance under OIRA review

The Treasury Department and the IRS recently released several notices addressing a range of issues, including modifications to section 987, guidance on the special depreciation allowance for qualified production property under section 168(n), and additional clarification regarding the application of the corporate alternative minimum tax (CAMT) under sections 55, 56A, and 59.

Notice 2026-17: Released this week, [Notice 2026-17](#) announced modifications to rules for computing taxable income or loss and foreign currency gain or loss under section 987. The Treasury Department and the IRS intend to issue proposed regulations that are expected to simplify the operation of section 987 rules, reduce compliance burdens, and refine the scope of certain rules under section 987 to limit their effect on ordinary-course transactions.

Notice 2026-16: [Notice 2026-16](#) (the “notice”), released last week, provides interim guidance that taxpayers can rely upon in applying section 168(n), including definitions, special rules, time and manner of making the election, and computation of the depreciation recapture in the case of a change in the use of the qualified production property (QPP). Taxpayers can rely on the notice for property that otherwise meets the requirements of the notice and is placed in service in a taxable year beginning before the issuance of the proposed regulations or other published guidance. Section 168(n), enacted as part of the legislation commonly known as the One Big Beautiful Bill Act (OBBBA, [P.L. 119-21](#)), generally provides an election for taxpayers to claim 100 percent depreciation for certain QPP. Additional details of the notice are provided in a new [alert](#) prepared by Deloitte Tax LLP professionals.

For further analysis of the OBBBA, see: [A closer look: Inside the new tax law](#) prepared by Deloitte Tax LLP’s professionals.

Notice 2026-7: The Treasury Department and the IRS released [Notice 2026-7](#) (the “notice”), providing additional guidance on the application of the CAMT. Consistent with prior Notices [2025-46](#), and [2025-49](#), the notice reaffirms the intent of Treasury and the IRS to issue revised proposed CAMT regulations that are anticipated to include rules similar to the interim guidance provided in this notice and in Notices [2025-27](#), [2025-28](#), [2025-46](#), and [2025-49](#) (as modified by the notice). Additional details of the notice are provided in a new [alert](#) prepared by Deloitte Tax LLP professionals.

“Trump Accounts” and information reporting guidance progress through OIRA review

The Office of Information and Regulatory Affairs (OIRA) has completed its review of proposed rules for the newly created “Trump Accounts,” moving those regulations one step closer to release. One set would establish rules for such accounts under section 530A ([RIN1545-BR91](#)), while a second set would implement an election for a Trump Account contribution pilot program ([RIN1545-BS00](#)). Separately, OIRA has

received for review the proposed rules on information reporting for certain payees ([RIN 1545-BR73](#)); once OIRA completes its review, the proposed rules will be released for public comment.

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Bisignano to testify before Ways and Means; JEC to hold hearing on destination-based cash flow tax

The House Ways and Means Committee will [hold](#) a hearing on March 4 at 10:00 a.m. EST, featuring IRS Chief Executive Officer (CEO) Frank Bisignano, who also serves as the Social Security commissioner. Bisignano is expected to testify on this year's filing season and the implementation of the law commonly known as the One Big Beautiful Bill Act (OBBBA, [P.L. 119-21](#)), with Democratic taxwriters also expected to use the question-and-answer portion of the hearing to probe the agency's data-sharing agreement with immigration officials.

Joint Economic Committee to hold hearing on destination-based cash flow tax

The Joint Economic Committee will [hold](#) a hearing on Wednesday, March 4 at 10:30 a.m. EST to evaluate US competitiveness and investment advantages of a destination-based cash flow tax.

The witness list as of press time includes Dr. Alan Auerbach, professor of Economics, University of California, Berkeley; Dr. Andrew B. Lyon, economist, Washington, D.C.; Dr. Douglas Holtz-Eakin, president, American Action Forum, Washington, D.C.; and Mr. John Arensmeyer, founder and CEO, Small Business Majority, Washington, D.C.

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Trade corner: Trump promotes trade policy in SOTU address

In his SOTU address, President Trump said he had multiple legal tools to advance his administration's trade agenda following the recent Supreme Court [ruling](#) February 20 that invalidated his use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs. Tariffs "will remain in place under fully approved and tested alternative legal statutes and they have been tested for a long time," Trump said in the first SOTU address of his second term. "They're a little more complex, but they're actually probably better, leading to a solution that will be even stronger than before. Congressional action will not be necessary."

Trump touted tariffs as positive for the US economy and diplomacy and also said he believes tariffs "will, like in the past, substantially replace the modern-day system of income tax" in the US, a prediction he has previously made. Soon after the 6-3 Supreme Court decision was announced, the administration issued a [Presidential Proclamation](#) instituting a new, temporary 10 percent tariff on imports from all countries effective February 24, pursuant to Section 122 of the Trade Act of 1974. The proclamation includes numerous exemptions that are substantially similar to those that applied to the IEEPA tariffs that were struck down. Later, Trump on social media said he would raise that rate to 15 percent, though no executive action had been implemented as of February 27. CBP implemented the tariff at a 10 percent rate effective February 24. The increase to 15 percent is "still being discussed," the director of the National Economic Council, Kevin Hassett, told reporters at the White House February 25. "It depends on the status of existing negotiations and existing deals."

The administration also terminated all IEEPA-based tariffs and ended collection of such tariffs "as soon as practical," per an [Executive Order](#) following the Supreme Court ruling. US Customs and Border Protection ("CBP") published a Cargo Systems Messaging [notice](#) announcing that CBP stopped collecting IEEPA tariffs on goods entered or withdrawn from warehouse after 12:00 AM eastern time on February 24, 2026. However, it remains unclear how companies that have paid such tariffs can obtain refunds as the administration awaits guidance from the US Court of International Trade. Another [Executive Order](#) continued the suspension of the *de minimis* exception for imports valued at \$800 or

less and imposed the new 10 percent tariff on *de minimis* imports sent through the international postal system. Trump has also said he might take further action under other authorities, such as Section 301 of the Trade Act of 1974 or Section 232 of the Trade Expansion Act of 1962. (For prior coverage, see [Tax News & Views](#), Vol. 27, No. 8, Feb. 22, 2026.)

To learn more about how businesses can interpret what changes immediately follow the Supreme Court decision, anticipate what may come next and act with confidence, listen to Deloitte's latest [Dbriefs](#) webcast.

Though uncertainty remains around how the Supreme Court ruling could impact some previously struck trade deals and frameworks reached with other nations, Trump was optimistic in his speech. "The good news is that almost all countries and corporations want to keep the deal that they already made," Trump said. "Knowing that the legal power that I as president have to make a new deal could be far worse for them."

Some recent trade announcements include a US-Indonesia reciprocal trade [agreement](#), announced February 19; a US-Bangladesh trade agreement from February 9, explained in a [joint statement](#); and a framework for an interim US-India agreement, detailed in a [joint statement](#) issued on February 6. But progress on a notable deal announced last summer has apparently paused: a US-European Union pact, which still requires EU approval to implement its commitments for US exports to the trade bloc. A key vote was postponed after the chair of the European Parliament's International Trade Committee, Bernd Lange, issued a [statement](#) on February 23 questioning the pivot to new legal backing for Trump's tariffs. "The situation is now more uncertain than ever," Lange said. However, the Commissioner for Trade and Economic Security Maroš Šefčovič [told](#) Members of the European Parliament of the International Trade committee that, while he understood their decision to delay their vote on the EU regulation implementing the deal, it was "imperative they keep the process moving forward in implementing the EU commitments under the Joint Statement."

Furthermore, the House voted 219-211 on February 11 to pass [H.J. Res. 72](#) to disapprove of 35 percent tariffs on Canadian imports, which has since been terminated by the February 20 executive order (note that even if approved by the Senate, the President would be expected to veto any such legislation intended to curtail his authority to levy tariffs).

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