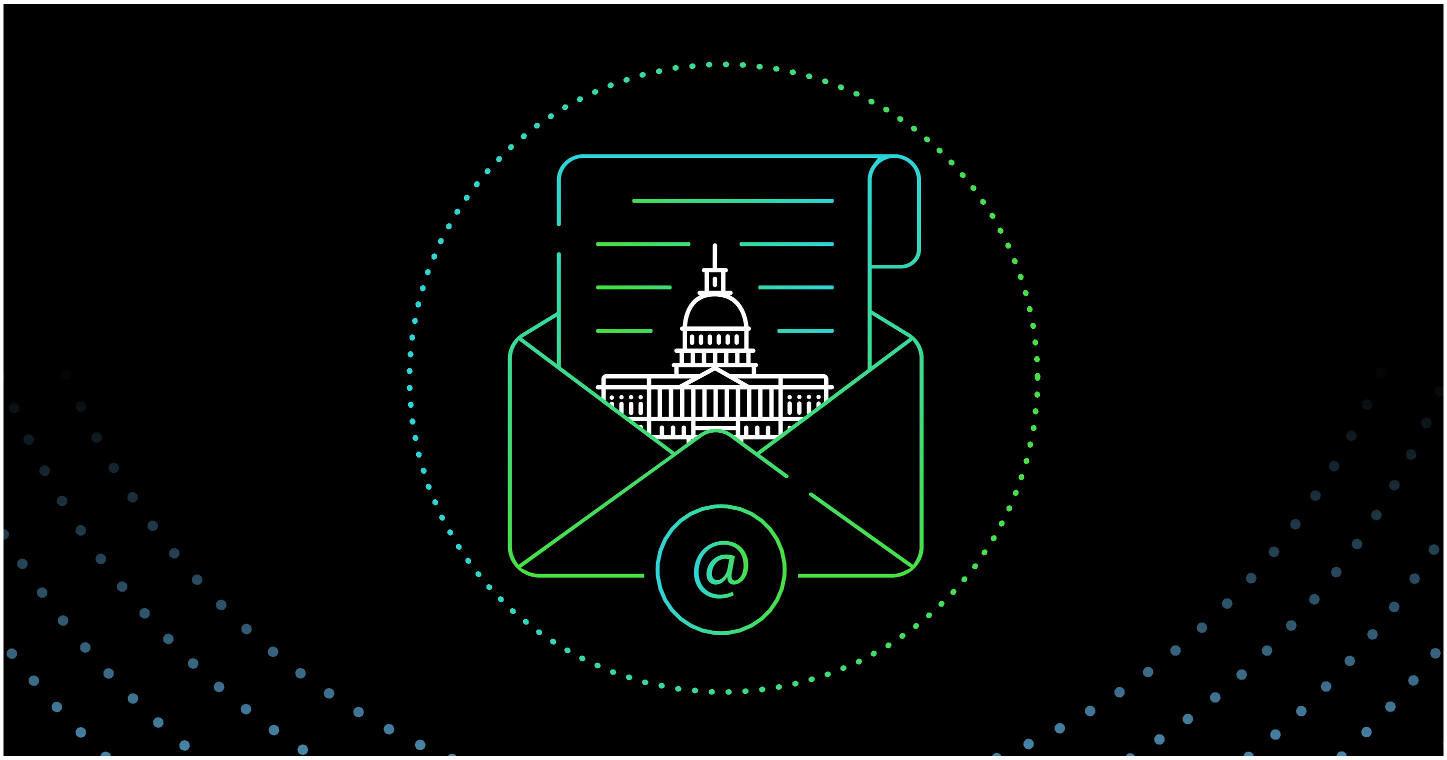

Tax News & Views

In this issue:

Reconciliation 3.0 begins to move forward, with uncertain path, taxes left out

House Republicans are moving to unlock the filibuster-proof budget reconciliation process with a $95 billion fiscal blueprint – the Concurrent Resolution on the Budget for Fiscal Year 2027 – that the House Budget Committee (HBC) approved, 20-14, during a July 16 markup.

The measure directs four House committees to report legislation that increases the deficit by specified amounts by September 11 for the fiscal years 2027 through 2036, spending a combined $95 billion for the Department of Defense as a result of the war with Iran, farm aid, and election security measures. Specifically, the budget resolution provides reconciliation instructions of $60 billion in deficit spending by the Armed Services Committee, $13 billion by the Permanent Select Committee on Intelligence, $12 billion by the Committee on Agriculture, and $10 billion by the Committee on House Administration. Although the resolution does not include any policy direction, that latter allocation is intended to support election-integrity provisions that advance elements of the SAVE America Act (H.R. 7296). Notably, the budget resolution neither directs any committee to identify offsets to pay for the new spending nor provides instructions to Senate committees. The House and Senate would still need to adopt a budget resolution in identical form before the budget reconciliation process is unlocked for a third party-line package that can circumvent the Senate filibuster. (HBC press release)

Opening statements from Chairman Jodey Arrington (R-Texas) and Ranking Member Brendan Boyle (D-Pa.) underscored starkly different views of the budget resolution. Chairman Arrington praised and highlighted provisions he said would strengthen the military, bolster food supply, and promote election integrity by ensuring "free, fair and accurate elections." Ranking Member Boyle, by contrast, characterized the measure as putting "America last," arguing that "failed Trump policies" have driven up costs of gasoline, food, and consumer goods, criticizing the resolution for containing "not one word about bringing down costs for the American people."

What about taxes?

Notably, the fiscal year 2027 budget resolution does not provide instructions to the House Ways and Means Committee to produce legislation, unlike the reconciliation instructions that ultimately led to enactment of the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21). The omission comes as lawmakers have discussed tax changes beyond OBBBA, including proposals intended to address housing costs and other affordability concerns facing working families. Adding instructions for Ways and Means could complicate the Senate's vote-a-rama process and significantly increase the package's overall cost, further complicating efforts to build support, particularly among Republicans who have expressed concern about the measure's fiscal impact. Even absent a tax title, Congress could pursue bipartisan tax legislation later this year on issues such as tax administration, digital assets, and certain expiring tax measures, areas that have drawn interest from lawmakers in both parties.

The path forward for reconciliation 3.0

Support for a third reconciliation package appears strongest from President Trump and House Republican leaders, while Senate Republicans have taken a more cautious approach, leaving uncertainty whether the conference is prepared to undertake another reconciliation effort.

President Trump recently called on Congress to prioritize "Reconciliation 3.0," saying in a social media post that the package – which he said would include $350 billion for defense as well as the SAVE America Act – should be passed "very quickly." The remarks appear to place the president firmly behind another reconciliation effort, although significant questions remain about whether Republicans can assemble the support needed to carry a third package through both chambers, even one far less ambitious that what the president has said he is seeking. It should be noted the current Defense spending number remains below the president's request and the budgetary impact rules of reconciliation drastically limit what components of the SAVE America Act are eligible for inclusion.

Overall, House Republican leaders have expressed optimism about advancing a third party-line reconciliation measure. Speaker Mike Johnson (R-La.) has publicly backed the effort and, along with other Republican leaders, is working to move the fiscal year 2027 budget resolution forward. Even so, the proposal could face familiar challenges within the conference. Fiscal conservatives have long pressed for spending reductions or other offsets to accompany spending initiatives, and the narrow House majority could require leadership to once again navigate competing priorities among different factions of the conference as the package takes shape.

Senate Majority Leader John Thune (R-S.D.) has offered a more measured – and at times skeptical – assessment of the prospects for a third package, underscoring the uncertainty surrounding whether Senate Republicans have the appetite to undertake another reconciliation effort. A narrow Republican majority, combined with the prospect of another vote-a-rama that would present Republicans with a series of politically difficult votes before the midterm elections, could make it more challenging for GOP leaders in that chamber to assemble the support needed to advance a third reconciliation measure. At the time of publication, numerous senators have expressed concern that the defense spending number does not match the request of the president, that offsets are not included, and failure to include other policies deemed a priority.

Graham's absence could be felt in reconciliation debate

The sudden passing last weekend of Sen. Lindsey Graham (R-S.C.) may be particularly consequential because, as chairman of the Senate Budget Committee, he was positioned to play a central role in any effort to advance a third party-line fiscal measure, much as he did in shepherding the fiscal year 2025 budget resolution through committee – a blueprint that ultimately led to enactment of the OBBBA. At a time when some Senate Republicans appear wary of undertaking another reconciliation effort, his close relationship with President Trump could also have made him an important bridge between Senate Republicans and the White House. Sen. Ron Johnson (R-Wis.), who is expected to succeed Sen. Graham as chairman of the Budget Committee for the remainder of the 119th Congress, has been among the Republicans calling for offsets to accompany additional spending as part of a reconciliation effort, an issue that could complicate plans to advance another party-line measure.

Earlier this week, South Carolina Gov. Henry McMaster, a Republican, announced the appointment of Darline Graham Nordone, the sister of the late Sen. Graham, to serve the remainder of Graham's term, which expires when the 119th Congress adjourns either later this year or very early in 2027. She was sworn in shortly thereafter and participated in Senate proceedings this week. The late Sen. Graham had been seeking reelection in November 2026, and several Republican lawmakers have already expressed interest in competing for the seat.

Next steps

The week of July 20 is the House's final scheduled legislative week before a five-week district work period, leaving a narrow window for House floor consideration of the budget resolution before lawmakers return in September. If House Republicans can pass the measure, it would then move to the Senate where the apparent reluctance of some Republicans to undertake a third reconciliation effort could become a significant obstacle.

Time also may be a factor. With a compressed legislative calendar in the months leading up to the midterm elections, Republican leaders would face a limited period to advance both a budget resolution and any subsequent reconciliation legislation.

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Housing bill becomes law; Ways and Means advances healthcare transparency legislation

After passing both chambers with overwhelming bipartisan support, the 21st Century ROAD to Housing Act (H.R. 6644) became law last week when the 10-day period for presidential action expired without President Trump signing or vetoing the measure. The president had written on a social media post that he would withhold his signature from the bill in protest over what he described as the Senate's inability to pass the SAVE America Act (H.R. 7296), a measure largely focused on voter integrity issues. However, the SAVE America Act remains pending in Congress and faces an uncertain path to enactment. The housing bill seeks to expand the supply of affordable housing but was also notable for its provision intended to curb institutional investment in certain single-family homes. (The nonpartisan Congressional Budget Office released estimated budgetary effects of H.R. 6644.)

Lawmakers spent months resolving differences between the House and Senate versions of the legislation before it reached the president's desk. The bill nevertheless drew significant bipartisan backing in both chambers, including support from House Financial Services Committee Chairman French Hill (R-Ark.) and Ranking Member Maxine Waters (D-Calif.), along with Senate Banking, Housing, and Urban Affairs Committee Chairman Tim Scott (R-S.C.) and Ranking Member Elizabeth Warren (D-Mass.). The measure reflected a relatively rare area of agreement in an otherwise politically divided Congress.

After the expiration of the 10-day period, Chairman Scott applauded the passage of the bill, saying the "21st Century ROAD to Housing Act will help more Americans plant roots, build stability, and pass opportunity to the next generation." In a separate statement issued earlier in the legislative process, Ranking Member Warren described the measure as historic, saying it "[w]ill address our nation's housing crisis by boosting housing supply, bringing down costs, and for the first time ever stopping private equity from buying up homes (Chairman Scott's press release, Ranking Member Warren's press release)

On the House side, Chairman Hill said when the bill ultimately became law that "[t]his legislation strengthens community banks, modernizes building codes, and cuts red tape. More houses will be built, more families will enter the market, and homes across the country will be more affordable." He added that "[t]he bill also delivers on one of the President's goals by restricting institutional investors from outcompeting American families for homes." In a separate statement issued after Senate passage, Ranking Member Waters said that "[o]ur work is far from over and this is not the end of the conversation. It is the beginning of a renewed effort to tackle our housing affordability crisis and ensure every American has access to a safe, decent, and affordable place to call home." (Chairman Hill's press release, press release)

(For prior coverage of President Trump's order to stop large investors from purchasing single-family homes, see *Tax News & Views*, Vol. 27, No. 5, Jan. 30, 2026; for prior coverage of earlier congressional activity, see *Tax News & Views*, Vol. 27, No. 11, March 13, 2026; *Tax News & Views*, Vol. 27, No. 19, May 22, 2026; *Tax News & Views*, Vol. 27, No. 23, June 19, 2026; and *Tax News & Views*, Vol. 27, no. 24 (June 26, 2026.)

Ways and Means clears healthcare price transparency legislation

While housing legislation reached the finish line, healthcare legislation advanced another step through Congress. On July 15, the House Ways and Means Committee cleared by a vote of 25-15 the Health Care Price Certainty for all Americans Act (H.R. 9645), which would provide consumers with additional information about the cost for medical services and prescription drugs. The bill contains a tax component that would amend the Internal Revenue Code (IRC) by replacing the price-comparison requirement in the Consolidated Appropriations Act, 2021 (P.L. 116-260) for plan years beginning on or after January 1, 2029. Under the proposal, the requirement would be replaced with a new framework intended to provide individuals with more detailed and accessible information about healthcare costs and cost-sharing obligations in a timely manner. (The Joint Committee on Taxation issued JCX-34-26 describing the bill's IRC amendments; see also the committee fact sheet.)

During the same committee markup, the panel advanced six additional bills addressing transparency, patient access, and oversight affecting various aspects of the healthcare system. (The House Ways and Means Committee released additional details of each measure on its website.)

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Senate tax panel holds hearing on Brooke's Treasury nomination; Kies departing Treasury

On July 16, the Senate Finance Committee held a hearing to consider the nomination of Francis Brooke to be Treasury deputy secretary, where he would serve under Secretary Scott Bessent. If confirmed, Brooke would become the department's second-ranking official and play a key role in formulating and executing Treasury's policies and programs.

In his opening statement, Brooke emphasized the importance of implementing President Trump's economic agenda, saying sound economic policy is critical to the country's success. He outlined three priorities: fostering economic growth by reducing government spending, incentivizing savings, and cutting regulatory burdens, which he called "red tape;" reforming the international economic system; and bolstering economic security, which he described as "national security."

Senate Finance Committee Chairman Mike Crapo (R-Idaho) endorsed Brooke's nomination and highlighted his experience, saying it would position him to support Secretary Bessent as the department continues implementing the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21), which many Republicans refer to as the Working Families Tax Cuts Act. By contrast, Ranking Member Ron Wyden (D-Ore.) argued that Brooke lacks the practical experience necessary for the position and expressed concern that, if confirmed, he would serve primarily as a "rubber stamp" for administration policies rather than an independent voice within the department.

Brooke would assume a post that has lacked a Senate-confirmed occupant since Michael Faulkender's departure. Faulkender, the first Senate-confirmed Treasury deputy secretary in the second Trump administration, left the department less than five months after his confirmation. Following his departure, Treasury designated Derek Theurer, who was also serving in another capacity in the department, to perform the duties of the office. Theurer has since left Treasury. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 11, March 14, 2025.)

During the same hearing, the panel also considered the nominations of Erin Browne to serve as Treasury undersecretary, and Sriprakash Kothari and George McMaster, both of whom were nominated to serve as assistant secretaries of the Treasury.

Implementation of the OBBBA, Trump Accounts

Later in the hearing, Brooke indicated that Treasury is working as "quickly as we can" to develop and issue guidance on the OBBBA. He pointed to several provisions that he said benefit working families, including the new deductions for tipped income, overtime pay, and interest on certain car loans, as well as the Trump Account program, which he described as a way to "merge Wall Street and Main Street" and create opportunities for children. Responding to a question from Sen. Marsha Blackburn (R-Tenn.) about Treasury's plans for providing information to taxpayers about Trump Accounts, Brooke said the department is pursuing a multistage approach that includes exploring automatic enrollment and partnering with states and participants in the financial sector to raise awareness of the program. Trump Accounts are a new type of tax-preferred savings vehicle for minors that revert to a traditional individual retirement account available to US citizens at the age of 18. For children born between 2025 and December 31, 2028, the government will provide $1,000 seed money for the account.

For further OBBBA analysis, see: *A closer look: Inside the new tax law* prepared by Deloitte Tax LLP's professionals.

Tax leadership transitions continue at Treasury, IRS

Separate from Brooke's nomination hearing, another senior Treasury tax official prepares to depart the department. Assistant Secretary for Tax Policy Kenneth Kies is leaving the Treasury Department after roughly a year in the position. Kies joined Treasury as Congress was considering what became the law commonly known as the OBBBA and oversaw much of the department's initial work to carry out the legislation. His departure comes as Treasury and the IRS continue implementing the law through regulations and other administrative guidance, and it could leave difficult policy questions to be resolved by a smaller group of senior officials. According to the Treasury Department's website, two of the five deputy assistant secretary positions within the Office of Tax Policy are either vacant or held by acting officials. Kevin Salinger, deputy assistant secretary for tax policy, Rebecca Burch, deputy assistant secretary for international affairs, and Don Snyder, deputy assistant secretary for tax administration, energy & strategic initiatives, currently serve in permanent roles. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 28, June 27, 2025.)

Kies also has served as acting IRS chief counsel since July 2025; three weeks ago, President Trump nominated Jim Gadwood to fill the position. If confirmed, Gadwood – who is currently serving as vice chair of the tax department at the law firm of Miller & Chevalier – would become the fourth person to hold this position since President Trump took office. Gadwood has worked in a range of industry sectors including automotive, aerospace, energy, hospitality, technology, and public utility according to the firm's website. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 33, July 18, 2025; *Tax News & Views*, Vo. 27, No. 24, June 26, 2026.)

IRS lawyer nominated for judicial position: President Trump nominated Andrew De Millo to serve a 15-year term as a judge on the United States Tax Court. De Mello briefly served as the acting IRS chief counsel last year, replacing William Paul, who took over the position when Marjorie Rollinson resigned on January 17. De Mello remained in the role until Kies assumed the position several months later.

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Bisignano leads next phase of Trump Account expansion; IRS announces new penalty relief program

The Treasury Department announced this week that IRS Chief Executive Officer Frank J. Bisignano, who also serves as commissioner of the Social Security Administration, will lead the next phase of implementation for the Trump Account program following its July 4 launch, when taxpayers became eligible to make contributions. As part of the rollout, the IRS already has launched a website with information about the accounts, including frequently asked questions and answers, and has released Form 4547, Trump Account Election(s), which taxpayers must file to open a Trump Account. Private-sector support also has begun to emerge. Treasury recently announced that it will accept philanthropic stock contributions to help fund Trump Accounts. (For coverage of Rev. Proc. 2026-25 which provides a gift tax reporting safe harbor for certain donors to Trump Accounts, see *Tax News and Views*, Vol. 27, No. 25, July 2, 2026.)

(Treasury issued two separate press releases – one announcing Bisignano's leadership role in the next phase (press release) and the other focused on its discussion to accept philanthropic stock contributions (press release.)

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

IRS announces new penalty relief program for taxpayers

Last week, the IRS announced a new automatic penalty relief process for taxpayers with a history of timely filing and payment, reducing the need for eligible taxpayers to request relief. The new program, known as the Automatic Exemption from Penalty (AEP), is expected to begin this summer. (IRS press release IR-2026-83)

"Automatic Exemption from Penalty reflects the IRS' commitment to making the payment of taxes owed simpler and more consistent," said IRS Chief Executive Officer Frank J. Bisignano. "By automatically applying penalty relief, the IRS recognizes that taxpayers who historically pay on time should not have to make a formal request for relief that is routinely granted."

AEP will apply to eligible original returns beginning with tax year 2025, quarterly returns beginning in 2026, and future tax periods. To qualify, taxpayers generally must have timely filed their returns and paid any tax due during the preceding three years, or 12 consecutive quarters in the case of quarterly returns. For eligible taxpayers, penalties for failure to file, failure to pay, and failure to deposit will not be assessed during return processing. The IRS will begin phasing out the existing, First-Time Abate program, and transition to AEP during this summer.

"The IRS's implementation of AEP is a major taxpayer win. It will help hundreds of thousands of taxpayers, reduce unnecessary burden, and conserve IRS resources, wrote IRS National Taxpayer Advocate Erin Collins in a blog post.

Business tax account

Beyond penalty relief efforts, the IRS also continues to broaden its online tools for taxpayers. As such, the IRS continued expanding the capabilities of its Business Tax Account (BTA), an online platform that allows authorized users of certain entities to access and manage federal tax information online. New features added this year include access to an expanded library of digital IRS notices, the ability for designated officials to download an employer identification number (EIN) verification notice (Notice CP575), and an option for eligible taxpayers to submit Offer in Compromise payments to settle tax debts for less than the full amount owed. BTA is available to several types of organizations, including a sole proprietor who has an IRS-issued EIN, C corporations, S corporations, certain partners or shareholders; and tax-exempt organizations. (IRS fact sheet FS-2026-11; for more information, see the IRS BTA website.

Treasury, IRS regulatory priorities

While the IRS continues expanding taxpayer-facing services, a recently posted "Agency Rule List – 2026" on the website of the Office of Information and Regulatory Affairs within the Office of Management and Budget provides a glimpse into regulatory projects Treasury and the IRS may pursue as part of a broader policy agenda. The document clarifies regulatory actions according to their stage in the rulemaking process, including proposed and final rules. Several items on the list – such as Trump Account reporting, tax credits for contributions to scholarship granting organizations, and the deduction for certain car loan interest – would provide regulatory guidance in the implementation of provisions of the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21).

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Treasury, IRS release final rules on CRATs, life insurance transactions, and QDOTs; Deloitte's global tax survey findings

The Treasury Department and the IRS released final regulations (T.D. 10051) which identify certain charitable remainder annuity trust (CRAT) transactions and substantially similar transactions as listed transactions, a type of reportable transaction. Material advisors and certain participants in these listed transactions are required to file disclosures with the IRS and will be subject to penalties for failing to disclose. (For the proposed regulations, see REG-108761-22) (IRS press release IR-2026-82)

Treasury, IRS finalize rules for 1035 exchanges of life insurance contracts

The Treasury Department and the IRS released final regulations (T.D. 10052) providing guidance on the application of the transfer for valuable consideration rules and associated information reporting requirements for reportable policy sales of interests in life insurance contracts. The regulations also address exchanges of life insurance contracts qualifying for nonrecognition of gain or loss, as well as certain acquisitions of interests in life insurance contracts in transactions that qualify as corporate reorganizations. The final regulations affect parties involved in life insurance contract transactions, including those making payments of reportable death benefits. (For the proposed regulations, see REG-108054-21)

Treasury, IRS release final regulations on qualified domestic trusts

The Treasury Department and the IRS released final regulations (T.D. 10050) amending the federal estate tax rules governing transfers to a qualified domestic trust (QDOT) under section 2056A. The regulations apply to estates of decedents that pass property to or for the benefit of a noncitizen spouse in a domestic trust that satisfies the requirements for QDOT treatment and for which the executor of the decedent's estate has made a valid QDOT election. The regulations are effective July 10, the date they were published in the Federal Register. (For a copy of the proposed regulations, see REG-119683-22)

Deloitte's 2026 Global Tax Survey

Complexity is at a breaking point, artificial intelligence is changing the rules, and the global tax landscape is moving faster than ever. Deloitte's 2026 Global Tax Policy Survey captures how tax leaders across 28 countries are responding to these shifts. Deloitte's specialists discuss the survey's findings. Listen to the podcast.

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Trade corner

US finalizes 25 percent tariffs on Brazil under section 301

US Trade Representative Jamieson Greer on July 15 announced 25 percent tariffs on certain goods from Brazil under section 301 of the Trade Act of 1974. USTR documented harm to US farmers, workers, innovators and exporters from a range of Brazilian measures related to digital trade and electronic payment services; unfair, preferential tariffs; anti-corruption interference; intellectual property protection; ethanol market access; and illegal deforestation. The additional duty will take effect on July 22, with some goods exempted including beef, some coffee products, minerals, fertilizers, and car parts, among other items. The decision came after a year-long investigation, two recent public hearings and an open comment period. Greer said in a statement the US remains open to continuing trade negotiations with Brazil.

In separate public remarks at the Aspen Security Forum on July 15, Greer said that tariffs under section 301 are legally sound when asked about other ongoing section 301 investigations. USTR is examining 16 economies for structural excess capacity, and last month, issued a report following its investigation of 60 economies for any toleration of forced labor in their trade. "One by one, we're going through, we're identifying all these unfair trading practices to get at the underlying unfairness and imbalance and lack of reciprocity in the trading system," Greer said, adding that USTR may start more section 301 investigations. When asked about China and the excess capacity probe, Greer said he did not want to get ahead of the investigation. "We're just going to take action to control our borders," he said.

USTR has turned to different tariff justifications after tariffs imposed under the International Emergency Economic Powers Act (IEEPA) were invalidated by the Supreme Court in February.

Remarks on USMCA review: Greer spoke positively on the rules of origin for automotive goods in the original United States-Mexico-Canada Agreement (USMCA) during the Aspen Security Forum but singled the issue out for improvement as part of new negotiations with Mexico after the US recently opted against renewing the USMCA as is. He also called for stricter rules of origin on other industrial goods such as electronics and pharmaceuticals. He said talks with Mexico are "going well" but his mandate remains to reduce the trade deficit with Mexico, whether by tariffs or quotas, without disrupting supply chains. As for talks with Canada, he said he's in contact with his counterparts on a weekly basis but "we just haven't seen a lot of movement." He declined to speculate on when a deal with Canada could get completed but added that an agreement could quickly come together if President Trump and Prime Minister Mark Carney reached an understanding. (For prior coverage, see *Tax News & Views*, Vol. 27, No. 25, July 2, 2026.)

Capitol Hill testimony upcoming: Greer is scheduled to testify at a Senate Finance Committee hearing July 22. The hearing on the Trump administration's trade policy agenda this year was previously scheduled for April but postponed after the Senate schedule changed.

Updated Russia sanctions bill includes targeted tariffs, sanctions

A bipartisan bloc of senators rolled out an updated version of legislation to sanction Russia, S. 1241 – Sanctioning Russia Act, first introduced last year by the late Sen. Lindsey Graham (R-S.C.). Graham announced agreement on tougher language in the bill compared to its initial iteration, meant to hinder Russia's ability to finance its invasion of Ukraine, shortly before his unexpected death July 11.
Provisions include tariffs of up to 100 percent on the top five purchasers of Russian crude oil or natural gas, a shift from the prior version's blanket 500 percent tariff, and an exception for countries importing less than 15 percent of Russia's natural gas exports and taking "significant steps" to reduce those imports, the bill said. Adjustments are possible based on a requirement for the US Trade Representative to reassess the top five purchasers of each category every 180 days and alter rates based on purchasing behavior changes. Another tariff provision includes a new authority to impose tariffs of up 100 percent on the top five countries facilitating Russian oil sanctions evasion. The bill also includes mandatory sanctions on Russian president Vladimir Putin, senior Russian political and military leaders, oligarchs, state-owned enterprises and foreign companies supporting Russia's defense industrial base, as well as on Russian banks, Russia's largest state energy projects and sanctions evasion networks like the so-called Russian shadow fleet and any foreign person or vessel used by the Russian government for sanctions evasion.

"Throttling Putin's economy, stopping the flow of oil and gas revenue and targeting the countries that are complicit – the bad actors, including the enablers and evaders," cosponsor Sen. Richard Blumenthal (D-Conn.) said July 14, calling the measure a tribute to Graham. Supporters expect the legislation to pass quickly, given commitments secured by Graham. "I talked to [Graham] after he had spoken with President Trump, and he was overjoyed at talking and landing the plane in a place that we could all get behind, that would hold Putin accountable and would allow us to move this through the Senate," said Sen. Katie Britt (R-Ala.).

IEEPA tariff refunds continuing, CBP reports

US Customs and Border Protection (CBP) has completed about $86.3 billion in tariff refunds via its refund process as of July 10, according to a recent filing to the Court of International Trade (CIT). The refund sum, which includes repaid duties plus interest, is part of about $122 billion in total to date that CBP has accepted for processing through its Consolidated Administration and Processing of Entries (CAPE) portal, which the agency has been developing to manage refunding IEEPA tariffs. CIT Judge Richard Eaton, who's handling the case, estimated $166 billion in total refunds are due. CBP has provided periodic updates on its progress since Eaton ordered the refunds.

On July 15, Eaton announced a new lead plaintiff in the IEEPA refunds lawsuit after the most recent plaintiff requested voluntarily dismissal of its case. Also, in connection with the expected launch of the third phase of the CAPE system, Eaton said the court would enter an order directing CBP to reliquidate certain finally liquidated entries in accordance with a procedure that will be outlined in the order. The order will be entered in each of the nearly 3,700 IEEPA cases assigned to the court.

US opts against aerospace industry tariffs

President Trump called for negotiations with trading partners on imported commercial aircraft, jet engines and their associated parts, according to a White House Executive Order issued July 9. The decision followed a Commerce Department recommendation against immediate tariffs under section 232 of the Trade Expansion Act of 1962 to address a national security threat by such imports. The Commerce Department opened a section 232 investigation into aerospace products more than a year ago and found that the US "aircraft industry is too reliant on foreign supply chains, raising national security concerns," among other determinations, the executive order said. But the report recommended against tariffs, and Trump set a 180-day deadline for an update on negotiations. "Depending on the status or outcome of such negotiations, I may consider alternative remedies in the future," the Executive Order indicated.

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