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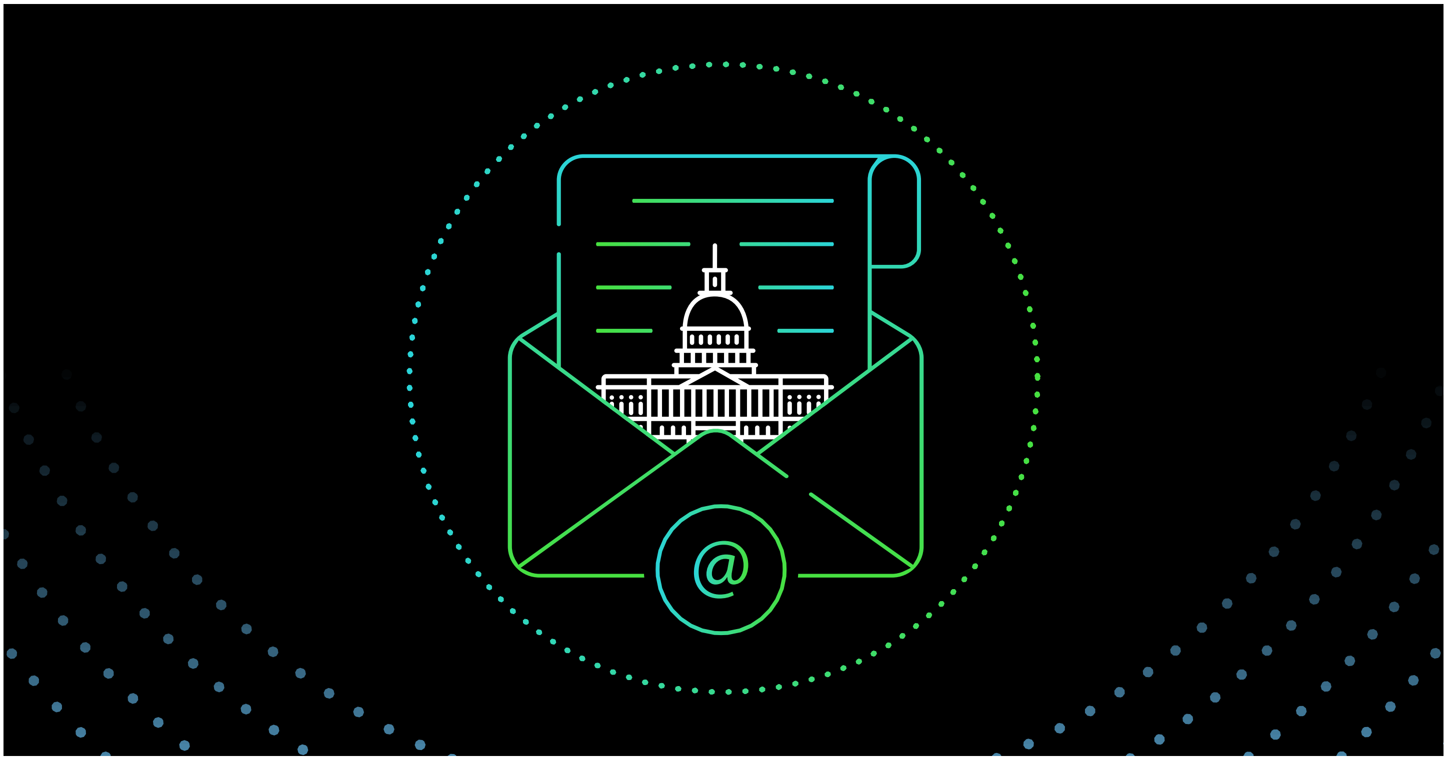

Tax News & Views

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Trump signs disaster-relief legislation; House passes tax administration bills

On September 11, President Trump signed the Doug LaMalfa Federal Disaster Tax Relief Certainty Act (H.R. 5366), a measure that the Senate and House approved with overwhelming bipartisan support. The legislation would extend the rules for personal casualty losses arising from major disasters and for the exclusion from gross income of compensation for losses or damages from certain wildfires. (For prior coverage of the measure in the Senate and House respectively, see *Tax News & Views*, Vol. 27, No. 29, Aug. 7, 2026; see *Tax News & Views*, Vol. 27, No. 17, May 1, 2026.)

The casualty loss provision would apply to losses incurred in taxable years beginning after December 31, 2024, and generally would cover disasters with incident periods beginning between December 28, 2019, and January 1, 2027. The wildfire-related exclusion would apply to payments received in taxable years beginning after December 31, 2025, for federally declared disasters occurring after December 31, 2014, and before January 1, 2027.

House Ways and Means Committee Chairman Jason Smith (R-Mo.) applauded the measure, saying it provides disaster victims with the certainty they need to rebuild their lives and ensures that families affected by "wildfires or hurricanes" do not lose a portion of their "recovery resources" to the IRS. Likewise, Rep. Mike Thompson (D-Calif), a cosponsor to the bill, said last month after the Senate passed the measure that wildfire survivors "have been through enough" and should not be taxed on settlement payments intended "to help them rebuild."

The JCT estimated that the personal casualty loss provision would reduce federal fiscal year budget receipts by $77 million over fiscal years 2026-2036, while the wildfire-related exclusion would reduce receipts by $331 million over the same period. This bill was introduced in the House on September 15, 2025, by a bipartisan group of House lawmakers.

House passes tax administration bills

In other legislative news, the House of Representatives approved multiple tax administration bills under suspension of the rules, a fast-track procedure that allows for limited debate, no amendments, and passage upon an affirmative two-thirds vote. These measures, which attracted overwhelming bipartisan support, include the following:

Tax relief for hostages: The End Tax Penalties on American Hostages Act (H.R. 9496) – introduced by Reps. Claudia Tenney (R-N.Y.), Don Beyer (D-Va.) and Dina Titus (D-Nev.) – would extend IRS due dates for hostages and persons wrongfully detained by disregarding a person's time in detention in determining deadlines, interest, and penalties for the person, similar to the rules applicable to a person deployed in a combat zone. It also would extend such relief to the spouse of the hostage or detainee. The Joint Committee on Taxation (JCT) estimated a negligible effect on the federal budget from the proposal. The House passed the bill by voice vote.

National Taxpayer Advocate: The Taxpayer Advocate Participation Act (H.R. 9498) – introduced by Reps. Greg Steube (R-Fla.) and Suzan DelBene (D-Wash.) – would let the National Taxpayer Advocate submit amicus briefs in any action brought in a US court related to federal tax law. The JCT estimated a negligible effect on the federal budget from the proposal. The House passed the bill by voice vote.

Tax relief for the defrauded: The Tax Relief for Fraud Victims Act (H.R. 9500) – introduced by Reps. Max Miller (R-Ohio) and Tom Suozzi (D-N.Y.) – would repeal limits on deductions for personal casualty losses and allow increased taxpayer relief with respect to theft losses involving fraud, deceit or misrepresentation. It would also add an exception to the additional tax on early retirement plan distributions for distributions arising from theft losses involving fraud, deceit or misrepresentation for which a casualty loss deduction is allowed and allows repayment of such distributions within a year after the loss is discovered. In addition, the bill includes a special rule for "pyrrhotite-related personal casualty losses" that arise from the mineral pyrrhotite eroding a concrete foundation, repealing the limitation on resulting casualty loss deductions. The JCT estimated the proposal would increase the federal deficit by about $6.5 billion from 2027 through 2036. The House passed the bill 408-17.

Protections from ghost preparers: The Protecting Taxpayers from Ghost Preparers Act (H.R. 9499) – introduced by Rep. Nicole Malliotakis (R-N.Y.) – would help shield taxpayers from the consequences of so-called ghost tax preparers who unbeknownst to a taxpayer file income tax returns that appear as if the taxpayer prepared the return themselves. The bill would crack down on these illegal operators and clarify the tax law so that taxpayers deceived by ghost preparers aren't saddled with assessments, taxes, or penalties indefinitely. The JCT estimated the proposal would reduce the federal deficit by $3 million from 2027 through 2036. The House passed the bill by voice vote.

Senate works on similar set of issues

The four House-passed measures now move to the Senate, where lawmakers have already assembled a broader bipartisan tax administration package. The Senate Finance Committee approved the Taxpayer Assistance and Service Act (TAS Act, S.3931), sponsored by Finance Committee Chairman Mike Crapo (R-Idaho) and Ranking Member Ron Wyden (D-Ore.) by a 26-1 vote in July. The TAS Act includes a number of administration reforms, including provisions related to IRS technology modernization, digitization, whistleblower administration, and taxpayer relief, and overlaps with at least some of the reforms previously approved by the House. With the Senate scheduled to be in session for only two additional weeks before the midterm elections, Senate floor consideration of tax administration legislation will likely be deferred until the lame-duck session. Should the Senate take up the issue, lawmakers could choose to proceed through the broader TAS Act rather than consider the individual House bills separately.

(For prior coverage of legislative action on the tax administration proposals, see *Tax News & Views*, Vol. 27, No. 17, May 1, 2026; *Tax News & Views*, Vol. 27, No. 25, July 2, 2026; and *Tax News & Views*, Vol. 27, No. 28, July 31, 2026..)

House passes bill expanding expense deduction to early childhood educators

The Lindsey O. Graham Sanctioning Russia and Iran Act of 2026 (H.R. 5334), which is headed to President Trump for his signature, includes an unrelated provision expanding eligibility for the educator expense deduction to certain early childhood educators. The Senate previously repurposed a House-passed bill addressing that issue as the legislative vehicle for the Russia sanctions measure.

Under the provision, eligible early childhood educators, including prekindergarten teachers, would be permitted to claim the educator expense deduction – an 'above-the-line' deduction for unreimbursed classroom expenses. For tax year 2026, the deduction is $350 per eligible educator. The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after December 31, 2025. (For additional information on the Russia sanctions legislation, see the Trade corner below.) (For prior coverage, see *Tax News & Views*, Vol. 27, No. 17, May 1, 2026.)

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SFC holds nomination hearing for IRS chief counsel as health care policy takes center stage

The Senate Finance Committee (SFC) held a hearing on Tuesday, September 15, to consider the nomination of James Gadwood to serve as IRS chief counsel and an assistant general counsel in the Treasury Department. The committee also considered the nomination of Andrew De Mello to be a judge on the US Tax Court, as well as the nominations of Gerald Klomp to be deputy secretary of Health and Human Services (HHS), and Ge Bai to be an assistant secretary of HHS.

Although the hearing included nominations for IRS chief counsel and a US Tax Court judge, committee members devoted comparatively little questioning to those nominees. Instead, the hearing largely centered on the Klomp nomination and broader health care policy issues related to HHS.

IRS chief counsel

President Trump nominated Mr. Gadwood, vice chair of the tax department at Miller & Chevalier, to serve as IRS chief counsel, one of only two positions at the agency requiring Senate confirmation. If confirmed, Gadwood would become the fifth individual nominated or appointed IRS chief counsel since Trump took office for his second term. The post is currently held on an acting basis by Kevin Salinger, Treasury's acting assistant secretary for tax policy. The administration previously nominated former IRS Chief Counsel Donald Korb for the position, but that nomination was later withdrawn by the president before final Senate action. (For prior coverage, see *Tax News & Views*, Vol. 27, No. 27, June 26, 2026.)

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Senate Finance Committee Chairman Mike Crapo (R-Idaho) focused his opening statement on the responsibilities of the IRS chief counsel as the principal legal advisor to the agency, while Ranking Member Ron Wyden (D-Ore.) devoted much of his opening statement to concerns about IRS oversight and administration under President Trump. Sen. Wyden argued that individuals selected to serve as IRS chief counsel were chosen because they would facilitate what he described as the president's "corrupt self-dealing."

Gadwood said in his statement that, if confirmed, he would prioritize serving America's taxpayers by providing "timely guidance," offering "principled legal advice," and ensuring "high-quality legal representation of the IRS."

The chief counsel, who is appointed by the president with the advice and consent of the Senate, serves as the IRS commissioner's chief legal advisor on all matters relating to the interpretation, administration, and enforcement of the tax code. The office plays a key role in developing guidance and regulations that implement tax legislation, including provisions under the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21).

Treasury general counsel: On September 14, President Trump nominated Robert Stebbins of New York to serve as general counsel for the Department of the Treasury. The general counsel serves as Treasury's legal advisor, providing legal and policy advice to the secretary and other senior department officials. According to the department's organizational website, the offices of the Tax Legislative Counsel, International Tax Counsel, Benefits Tax Counsel as well as the IRS Chief Counsel's office fall within the purview of the Office of General Counsel. Stebbins would succeed Brian Morrissey Jr., who was confirmed by the Senate for the position on October 7, 2025.

Tax court judge

President Trump nominated Mr. De Mello to serve a 15-year term as a judge on the US Tax Court. De Mello, a longtime attorney in the IRS Office of Chief Counsel, briefly served as acting IRS chief counsel in 2025 following the retirement of Marjorie Rollinson and remained in that role until Kenneth Kies assumed the position. In testimony submitted to the committee, he cited his experience at both the Department of Justice Tax Division and the IRS and emphasized the Tax Court's role as an independent forum for resolving tax disputes.

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House tax panel holds markup of digital asset, e-filing bills

The House Ways and Means Committee held a markup on Wednesday, September 16, on two tax-related measures: a bill addressing the taxation of digital assets and a proposal intended to facilitate the electronic filing of identification numbers (EFINs). The markup built on the committee's earlier consideration of bipartisan proposals involving digital assets and tax administration. The panel also considered several non-tax measures during the markup.

For copies of the legislation and other markup materials, including the nonpartisan Joint Committee on Taxation's (JCT) estimated revenue effects for each bill, see the House Ways and Means Committee's website.

Digital assets

The Ways and Means Committee voted 38-5 to order the Digital Asset Tax Certainty Act (H.R. 10357) favorably reported to the House, reflecting broad bipartisan support for the measure. Introduced by Ways and Means Committee Chairman Jason Smith (R-Mo.), the bill draws from several digital asset proposals advocated by lawmakers from both parties and builds on months of committee work on digital asset taxation, including a June Ways and Means Committee hearing on related bills and discussion drafts. Five Democrats opposed H.R. 10357 – Reps. Lloyd Doggett of Texas, Judy Chu of California, Gwen Moore of Wisconsin, Don Beyer of Virginia, and Dwight Evans of Pennsylvania. (For prior coverage of the Ways and Means Committee hearing in June on digital asset tax issues, see *Tax News & Views*, Vol. 27, No. 22, June 12, 2026.)

Chairman Smith said the legislation reflects months of study and input and is intended to bring "clarity, parity, and workability" to digital asset taxation, arguing that the tax code has not kept pace with the growth and evolution of digital assets. He also said the measure would help keep digital asset innovation and related jobs in the United States rather than encourage their movement offshore. Other Republican members, including Reps. Adrian Smith of Nebraska, Mike Kelly of Pennsylvania, and Ron Estes of Kansas, also echoed those themes. Rep. Adrian Smith, in particular, stressed the importance of maintaining a tax code that encourages domestic innovation, arguing that doing so would help the United States remain what he described as the "crypto capital of the world."

The legislation also drew support from several Democrats who described the measure as a step in the right direction. Rep. Steven Horsford (D-Nev.) acknowledged that the bill was not "as comprehensive" as he would have liked but said it represents an important step forward as digital assets and their uses continue to evolve. Rep. Mike Thompson (D-Calif.) likewise remarked that the legislation was "substantially better" than the version initially considered by the committee.

Nevertheless, Ranking Member Richard Neal (D-Mass.) and other Democrats used the markup to highlight what they described as an "affordability" crisis under President Trump, citing higher gasoline prices, rising health care costs, and lower wages. Rep. Lloyd Doggett

(D-Texas) questioned the legislation's emphasis on parity for digital assets, arguing that, notwithstanding that objective, the bill would still "bestow" tax benefits on the crypto industry. Reps. Doggett and Beyer also reiterated concerns regarding ethics, transparency, and the potential conflicts of interest involving President Trump, his family and their involvement in the digital asset industry.

The measure includes five titles addressing the use of digital assets as a medium of exchange, parity with traditional financial assets, application of existing tax and anti-abuse rules, classification of income derived from mining and staking activities for tax purposes, and compliance and reporting requirements. Separately, the bill includes a title relating to the wagering loss deduction.

Several provisions received particular attention during the markup, including the following:

Treatment of *de minimis* digital asset fees: The proposal would exempt taxpayers from recognizing gain or loss when using digital assets to pay qualifying network or transaction fees of $10 or less. Transaction fees would include brokerage, trading, liquidating, and similar fees associated with facilitating digital asset transfers. Rep. Estes also noted that the proposal would reduce compliance burdens by exempting qualifying digital asset transaction fees of $10 or less from reporting Form 1099-DA – Digital Asset Proceeds From Broker Transactions – thereby simplifying administration for taxpayers and the IRS.

Rep. Chu, however, raised concerns about the provision, citing JCT's estimate that it would reduce revenues by roughly $2.3 billion from 2027 through 2036 and questioning why certain other comparable fees would not receive similar treatment.

Mining and staking: Rep. Mike Carey (R-Pa.) asked whether the proposal's mention of mining and staking income addresses only the character of the income or also governs when the income must be recognized. JCT Chief of Staff Tom Barthold confirmed that the relevant provision addresses only the character and does not affect timing of recognition, a topic that drew attention from many of the taxwriters from both parties.

Charitable contributions of certain digital assets: Rep. Kelly, a proponent of providing parity to the digital asset space for the charitable giving rules, thanked Chairman Smith for including provisions from the Charitable Deductions for Digital Asset Donations Act (H.R. 9173). He said that H.R. 9173 would treat widely traded digital assets like publicly traded stock for charitable-giving appraisal purposes by removing what he described as certain "burdensome appraisal requirements." Under the Digital Asset Tax Certainty Act, qualified US dollar stablecoins and widely traded digital assets would be added to the types of readily valued property that are excepted from the qualified appraisal requirements for certain contributions of property for which a deduction is claimed.

Rep. Linda Sanchez (D-Calif.) also thanked Chairman Smith and Rep. Horsford for incorporating her charitable-giving safeguards, which she said would require donated digital assets to be converted to cash before a charitable deduction may be claimed. Sanchez said the provision would help ensure that charitable deductions are based on the value ultimately received by the charity and prevent taxpayers from using digital asset donations to claim inflated deductions, reducing opportunities for what she characterized as abuse by "bad actors."

Voluntary disclosure program: Rep. Aaron Bean (R-Fla.) raised the issue of a voluntary disclosure program as part of the digital asset measure. The proposal would direct the Treasury secretary to establish, within one year, a voluntary disclosure program for taxpayers with digital asset-related tax violations. The program would allow taxpayers who engaged in a digital asset violation to remedy prior noncompliance under more favorable terms than might otherwise apply and would include rules governing eligibility, participant requirements, and available tax relief. To participate, eligible taxpayers must file amended returns and provide any required information within 24 months after the program is established.

Wagering losses: The digital asset legislation also includes a provision that would modify the wagering loss limitation enacted under the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21). Under current law, wagering losses are deductible only to the extent of 90 percent of the losses incurred during the taxable year. These losses would only be allowed to the extent of the gains from such transactions during that year. The proposal would restore the prior law, allowing taxpayers to deduct wagering losses up to the full amount of their wagering gains. The provision would be effective for taxable years beginning after December 31, 2025, and is consistent with the FULL HOUSE Act (H.R. 6985), sponsored by Reps. Miller and Horsford. While the wagering-loss provision received little opposition during the markup, Rep. Blake Moore (R-Utah) expressed concerns about its inclusion, questioning whether it should be considered as part of a broader review of federal gambling policy.

Electronic filing verification

The committee also approved legislation from Reps. Estes and Jimmy Panetta (D-Calif) known as the EFIN Verification Act of 2026 (H.R. 10334) which would require Electronic Filing Identification Numbers (EFINs) to be validated by the Treasury secretary before they may be used to electronically file any tax returns or other IRS documents. The legislation directs Treasury to establish a real-time verification system confirming the validity of an EFIN. The requirement would apply only to filings transmitted by authorized third-party preparers or other entities that use EFINs and would not apply to taxpayers who electronically file their own returns. The proposal generally would apply to returns and other documents filed for taxable years beginning two years after enactment. The measure cleared the panel 40-0.

Next steps

The digital asset and EFIN measures were reported to the full House for further consideration. However, with the House entering congressional recess the day after the markup and not expected to return until after the midterm elections in November, potential floor action on the bills will wait until lawmakers return for the lame-duck session. The timing is notable given the uncertain outlook for related but separate digital asset legislation in the Senate, the CLARITY Act (H.R. 3633), and the limited legislative calendar remaining for broader tax administration legislation, which may ultimately be considered as part of the bipartisan Taxpayer Assistance and Service Act (TAS Act, S. 3931).

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Trump headlines midterm convention, touts OBBBA and unveils $5,000 Trump dividend

With the midterm elections just weeks away, Republican lawmakers, candidates, and other party figures gathered last week for a midterm convention where President Trump and other speakers praised the economic benefits of the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21), which many Republicans now refer to as the Working Families Tax Cuts Act. Speakers highlighted several of the law's tax provisions, particularly the new deductions for tipped income, overtime pay, Social Security benefits, and qualified passenger vehicle loan interest, which Trump noted is available "only if the car is made in America."

Other convention speakers, including Treasury Secretary Scott Bessent and House Ways and Means Committee Chairman Jason Smith (R-Mo.), echoed that message. Chairman Smith emphasized the law's tax-relief provisions and broader economic impact, focusing on deductions for tipped income and overtime pay as examples of what he described as targeted relief for working class Americans. He argued that those provisions illustrate the OBBBA's real-world impact on taxpayers' lives and are not benefits typically claimed by billionaires.

Trump also pledged to make all Trump tax cuts permanent, arguing that doing so would prevent future Democratic majorities from reversing them. Although he did not identify specific provisions, several of the OBBBA's most widely promoted new tax benefits like the deduction for tips and overtime are scheduled to expire at the end of 2028 under current law. Throughout his remarks, the president framed the November 3 elections as critical to preserving and expanding the administration's policy agenda, arguing that a Democratic-controlled Congress would seek to reverse key elements of his economic program, while a Republican victory would create opportunities for additional tax relief and other policy priorities.

New Trump dividend

The president also proposed what he called a "Trump Dividend," stating that, if Republicans maintain control of the House and Senate in the midterm elections he would seek to provide a $5,000 cash payment to every adult US citizen, provided the funds are spent domestically. Trump said the proposal would be funded by the nation's strong economic performance and rising revenues. In a September 10 fact sheet, the White House asserted that the dividend would be possible because of what it described as trillions of dollars in new private investment, efforts to reduce waste, fraud, and abuse in the federal government, and the administration's trade policy.

The September 10 fact sheet linked the proposal to the administration's broader agenda, stating that "[t]he Tax Cuts and Jobs Act [(TCJA, P.L. 115-97)] and the Working Families Tax Cuts produced bigger paychecks, bigger refunds, and more money left with the workers who earned it. The Trump Dividend is the next chapter of that fight – not another Washington program or lecture from the 'experts,' but cash in the hands of American citizens."

While President Trump said the payments could be financed through economic growth and rising revenues, administration officials have subsequently signaled that questions remain regarding how the proposal would be implemented and funded in a way to avoid increasing the federal deficit.

Trump promotes health care incentives

President Trump also promoted his "Great Healthcare Plan," which he first announced on January 15. According to the president, the plan would direct financial assistance to eligible individuals rather than insurance companies, allowing consumers to purchase coverage directly and, in some cases, keep unspent amounts. The president said the plan is aimed at reducing drug prices, lowering insurance premiums, and increasing price transparency. The plan does not call for extending the enhanced premium tax credit (PTC) provisions that expanded Affordable Care Act (ACA, P.L. 111-148) marketplace subsidies. The enhanced PTC expired at the end of 2025.

(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).

ACA refunds: In a fact sheet released last week, the White House announced plans to provide $500 refunds per person to nearly one million Americans who lost access to premium tax credits when the enhanced PTC expired in the 30 states that use the federal ACA marketplace. According to the fact sheet, the payments would refund what the administration characterized as "Obamacare overcharges."

Democrats respond

Democratic Reps. Robert Garcia and Sydney Kamlager-Dove of California, Jason Crow of Colorado, and Madeleine Dean of Pennsylvania held a press conference ahead of the second and final day of the GOP midterm convention, focusing largely on what they described as an "affordability" crisis facing working families. The lawmakers argued that working families have faced higher costs for groceries, housing, health care, and gasoline since President Trump took office and characterized those increases as "skyrocketing." They also contended that, while many households are struggling with rising costs, President Trump and members of his family have benefited financially and are celebrating with what they described as a "two-day [political] party."

In response to President Trump's proposed $5,000 "Trump Dividend," Rep. Garcia argued that the payment would never materialize, pointing to previous proposals that he said likewise failed to come to fruition, including a proposed tariff dividend and a dividend tied to Department of Government Efficiency (DOGE) projected government-efficiency savings.

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Treasury and IRS release guidance on several tax issues

The Treasury Department and the IRS issued guidance across several areas affecting taxes, including qualified opportunity funds, foreign-source income, clean fuel production credits, and accounting method changes for research and experimental expenditures. Some of the guidance items implement provisions in the law commonly known as the One Big Beautiful Bill Act (OBBBA, P.L. 119-21).

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

Treasury, IRS release proposed rules on opportunity funds

The Treasury Department and the IRS released proposed regulations (REG-116506-25) that would implement new reporting requirements for qualified opportunity funds and qualified opportunity zone businesses. The guidance would require qualified opportunity funds to file information returns with the IRS and furnish statements to investors who dispose of fund interests, while qualified opportunity zone businesses would be required to provide information to qualified opportunity funds that hold interests in those entities. Section 70421 of the OBBBA amended certain provisions involving opportunity funds.

Treasury, IRS release guidance on allocation and apportionment of deductions to certain foreign source income

The Treasury Department and the IRS released proposed regulations (REG-117273-25) related to the allocation and apportionment of deductions in computing deduction eligible income (DEI), foreign derived deduction eligible income (FDDEI) under section 250(b)(3), and foreign source section 951A category income under section 904(b)(5), as amended by sections 70322 and 70311 of the OBBBA. Deloitte Tax LLP professionals released an alert addressing the proposed regulations.

IRS issues guidance on clean fuel production credit

The IRS issued Notice 2026-53 providing guidance on the establishment of emission rates under section 45Z(b)(1)(B) for the clean fuel production credit and clarified certain amendments to section 45Z under the OBBBA. (IRS press release).

IRS issues rev. proc. on accounting method changes for R&E expenditures

The IRS issued Rev. Proc. 2026-32 modifying the automatic IRS consent procedures under section 446 for changes in accounting methods regarding research and experimental (R&E) expenditures under sections 174 and 174A and for long-term contracts under section 460, following changes made by the OBBBA. (Rev. Proc. 2025-23)

IRS releases guidance extending tax relief replacement period for livestock sold due to drought

Notice 2026-54 extends the replacement period under section 1033(e) for livestock sold due to drought and identifies the counties and other jurisdiction that qualify for federal assistance. The extension will continue until the end of the taxpayer's first taxable year ending after a drought-free year for the applicable region. (IRS press release)

Deloitte releases alerts on 45Q carbon capture credit

Deloitte Tax LLP released an alert on Notice 2026-50 which expands a previous safe harbor so that it now encompasses carbon oxide used as a tertiary injectant in a qualified enhanced oil or natural gas recovery project and the determination of the qualified carbon oxide subject to recapture. The notice also extends the applicability period of the safe harbor beyond calendar year 2025. (Notice 2026-1 was modified and amplified.)

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Trade corner

House passes Russia sanctions and tariffs legislation

The House on September 16 voted 262-159 to pass the Senate amendments to H.R. 5334, the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026, a bill broadening Russian sanctions and expanding tariff powers for the executive branch. Backers of the legislation said both authorities are aimed at hindering Russia's ability to continue fighting Ukraine. The measure, which previously passed 86-11 in the Senate on August 7, now heads to President Donald Trump for signature into law. (For prior coverage, *Tax News & Views*, Vol. 27, No. 29, Aug. 7, 2026.)

The bill received broad bipartisan support in both chambers; opponents generally criticized its language boosting the White House's authority to impose tariffs. One provision mandates a 500 percent tariff on Russian imports. Another provision authorizes tariffs up to 100 percent on the top five countries importing a Russian crude oil or natural gas or who are among the top five facilitators of Russian oil sanctions evasion, with an exception for countries importing less than 15 percent of Russia's natural gas exports so long as they are taking "significant steps" towards reducing those imports. The bill also includes a requirement for the US Trade Representative to reassess the top five importing countries in each category every 180 days and alter rates or which countries are covered based on purchasing behavior changes. An extra provision would also extend sanctions on Iran.

A bill summary includes more details.

US bans some Canadian imports, modifies tariff treatment of others

The US announced new import bans on some Canadian products in the auto, dairy and alcohol sectors, set to go into effect on September 29, as well as the addition and removal of certain goods from the scope of the previously announced tariff increases, effective September 15. The bans and tariff modifications were made pursuant to section 338 of the Tariff Act of 1930.

Among products facing bans are motorcycles, mopeds and cycles fitted with engines of at least a certain size – specifically those with a cylinder capacity exceeding 800 cubic centimeters. Those in the dairy action include myriad types of whey protein and some sugar, and the alcohol products include a range of beer, wine and liquor. A White House fact sheet indicated the bans were in response to retaliatory tariffs Canada imposed on about $20 billion of US exports on September 8, which followed US tariffs on certain Canadian products announced July 20. (For prior coverage, *Tax News & Views*, Vol. 27, No. 27, July 24, 2026.)

Two separate White House Proclamations cover modifications to the original motor vehicle tariff announcement and the original alcohol announcement. Additions to the 50 percent ad valorem section 338 tariff announced July 20 include some cheeses, fats and oils, leather, certain boats, certain iron, steel and aluminum items, golf carts, some furniture and myriad additional items. Products removed from the scope of the tariffs include cement, fishing gear and some other products including certain sugars, salt, toilet paper, tissues and other paper for household or sanitary, bed sheets and more.

CBP announces CAPE Phase 3 and reports $122 billion in tariff refunds completed

US Customs and Border Protection (CBP) announced it will launch Phase 3 of its Consolidated Administration and Processing of Entries (CAPE) portal, which the agency has been developing in phases to manage refunding IEEPA tariffs, on October 6 to cover certain finally liquidated entries, for "plaintiffs for which the Court has ordered reliquidation" and where "Plaintiffs who submitted a valid importer of record number to CBP by July 30, 2026," according to a September 15 filing to the Court of International Trade (CIT). CBP in the same filing also disclosed it has completed about $122 billion in tariff refunds via the first two phases of its refund process as of September 11. The refund sum, which includes repaid duties plus interest, is part of nearly $135 billion in total to date that CBP has accepted for processing in Phases 1 and 2 of CAPE. CIT Judge Richard Eaton, who is handling the case, noted that CBP estimated in an earlier filing that roughly $166 billion in total refunds are due on tariffs imposed under the International Emergency Economic Powers Act (IEEPA) that the Supreme Court invalidated in February. CBP has provided periodic updates on its progress since the refunds were ordered.

White House visit with China's President Xi Jinping soon approaching

President Trump will host Chinese President Xi Jinping in Washington beginning on September 24. The visit was first announced when Trump traveled to Beijing in May. Trump said he would discuss "almost everything" with Xi when asked about the agenda by reporters aboard Air Force One September 13. Trade is expected to be among topics covered, potentially including Chinese purchase commitments of US soybeans and aircraft, as well as limited access to Chinese rare earth minerals and US advanced microprocessors before a deal between the two nations expires in November. As part of the US-China agreement announced in May highlighting new terms of trade for certain goods between the two nations, a White House fact sheet also announced the establishment of a Board of Trade for the two countries "to manage bilateral trade across non-sensitive goods," and a Board of Investment "for discussing investment-related issues." (For prior coverage, T*ax News & Views*, Vol. 27, No. 19, May 22, 2026.)

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