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This update reflects facts as of Monday morning, November 17, 2025. The situation is fluid and may change.

Congress narrowly passed last week legislation to fund the government through January 30, 2026. Left unresolved, however, were any of the issues behind the opposition of Democrats that were the cause of the government shutdown, raising the potential for further difficulties ahead. The IRS meanwhile, is fully back in operation but still without a Chief Counsel or the immediate prospect for one.

Government funding. A stopgap deal to fund the government was reached with eight Senate Democrats, providing 60 votes needed for passage. The agreement included restoration of government employees laid off during the shutdown and a prohibition on further shutdowns through the January 30 duration of the continuing resolution. It did not address, however, Democratic demands for extension of expanded Affordable Care Act subsidies, restoration of funding for Medicaid, public broadcasting, and international organizations, and a prohibition on executive branch rescissions. Thus, the question of whether an agreement can be reached before a December vote or expiration of the CR remains quite uncertain.

The funding bill did include full fiscal year funding for programs under three relatively noncontroversial appropriations bills: Agriculture/FDA, Legislative Branch, and Military Construction/VA. The Agriculture/FDA bill includes funding for the Supplemental Nutrition Assistance Program (SNAP) that was a cause of concern in the shutdown. Removing that issue from a future funding debate will lessen the pressure for agreement on extension of the ACA subsidies or other funding issues.

As Congress returns this week for its first full week in session since mid-September, it will be turning to the remaining nine appropriations bills needed to fund the government for the 2026 fiscal year that began October 1.

IRS. The agreement in the CR to restore employees laid off during the shutdown had a significant effect on the IRS. Some 1,400 or so IRS employees were the subject of shutdown RIFs. Restoration of those employees and the return of those who were furloughed means regular operations should soon be restored.

The IRS will remain without a permanent Chief Counsel for some time, however. The President withdrew the nomination of Donald Korb for the position. The Korb nomination had appeared to be relatively noncontroversial, and no reason was provided for the withdrawal. Kenneth Kies, Assistant Secretary for Tax Policy, will presumably remain Acting Chief Counsel.

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