



# Capitol Hill Weekly

Washington National Tax  
Federal Legislative & Regulatory Services

November 24, 2025

***This update reflects facts as of Monday morning, November 24, 2025. The situation is fluid and may change.***

Congress is in recess this week. Most of the attention last week was on foreign policy—Ukraine, Venezuela, and Saudi Arabia—and the Epstein files legislation. When it returns next week, Congress will again face the daunting task of funding the government for the remainder of the 2026 fiscal year. In addition to the usual debate over funding issues, Congress has yet to resolve the issues that resulted in the October shutdown: Democratic demands for Affordable Care Act expanded subsidies, action on rescissions procedures, and on other funding issues. The extended funding debate, which could continue into next year, lessens the prospects for a year-end tax bill.

House appropriators have indicated they may defer to the Senate to provide at least the first edition of funding legislation. The Senate Appropriations Committee has been working on a five-bill package that would include the two most costly appropriations measures: Labor/Education/HHS and Defense. It does not appear, however, that the five-bill package has needed Democratic support even as to funding, as it would maintain rescission cuts to public broadcasting, despite increasing funding slightly elsewhere.

Perhaps more importantly, it does not address Democratic complaints related to the use of rescissions by the Executive Branch to reduce appropriated funding unilaterally. More than \$14 billion in 2025 fiscal year appropriations were rescinded, an action that required only a simple Senate majority, rather than the sixty-vote super-majority needed to overcome a filibuster. Recognizing the difficulty in obtaining that super-majority for funding legislation, the Administration has continued to call for the Senate to eliminate the filibuster, something that appears still to lack majority support.

The darkest shadow over a bipartisan deal for government funding continues to be the expiring enhanced ACA subsidies. Low-level talks are ongoing among several groups in the House and Senate. Lately that has included talk of ACA reform among some Republican members, such as funding health savings accounts or imposing new income limits on benefits. None have yet gained traction or been the subject of negotiations at the leadership level. The White House has indicated that it may offer a health care proposal. It isn't clear what proposal Democrats will put before the Senate for the promised vote next month, although it seems likely to be something unacceptable to Senate Republicans.

ACA funding and rescissions are the two issues that, if not resolved, could be the cause of another government shutdown when current funding for most of the government again expires on January 30.

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