



Capitol Hill Weekly

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This update reflects facts as of Monday morning, December 15, 2025. The situation is fluid and may change.

Congress is scheduled to adjourn for its holiday break at the end of the week. The Senate will vote on the House-passed National Defense Authorization Act, and passage of that must-pass legislation seems likely. Still left undone is legislation to fund the government, which seems increasingly unlikely before adjournment, as the government continues to operate on a continuing resolution until January 30.

Potentially complicating final passage of funding legislation is agreement on health care legislation. Expanded subsidies for Affordable Care Act coverage expire on December 30, which will result in premium increases for many of the 22 million ACA insureds. Very different Republican and Democratic health care plans failed on identical 51-48 votes to reach the required 60.

House Republicans released a far-reaching health care plan last week, with a vote planned before adjournment. Democratic support seems unlikely, however, as the Republican plan does not include any extension of the ACA subsidies. Two bipartisan plans that would include limited subsidy extensions, but lack support of most House Republicans, are the subject of discharge petitions. Those discharge petitions have so far attracted only modest support.

How to proceed with funding legislation has eluded agreement between House and Senate leadership. The Senate has been working toward a five-bill package that would include the largest two—Defense and Labor/HHS/Education—those five accounting for almost 80 percent of the discretionary budget. The House has been working on a more modest three-bill package. Whether either house will be able to pass either of these measures before adjournment is uncertain at best, and differences remain between the houses on top-line spending levels.

Passage of funding legislation, it seems, will thus be put over to January, quite possibly with health care legislation as well.

Tax legislation remains an afterthought. Extension of expiring provisions like the Work Opportunity Tax Credit and some new proposals to address double-taxation with respect to

Taiwan and full deductibility of gambling losses enjoy bipartisan support. But none is politically compelling, as in the past were the research credit or minimum tax exclusion. Obstacles to passage include the questions of revenue offsets and the sorting of other proposals individual members deem more important. Whether there will be time and political will to address these issues and include a modest tax bill with final funding legislation is the question, and the prospects appear thin.

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