



Capitol Hill Weekly

Washington National Tax
Federal Legislative & Regulatory Services

February 16, 2026

This update reflects facts as of Monday morning, February 16, 2026. The situation is fluid and may change.

Congress recessed last week without providing funding for the Department of Homeland Security (DHS), which expired on Friday. The shutdown of the 260,000-employee department and its vast array of agencies is likely to last at least a week, as Congress is now on its one-week Presidents Day break. The House did, however, formally express its disapproval of at least some of the tariffs on Canadian imports before leaving town.

DHS funding. Congress completed FY2026 funding for most of the government on February 3 after a short lapse. It could not reach agreement on the \$64 billion or so needed to fund DHS, however. The temporary funding Congress provided expired at the end of last week, beginning another partial government shutdown.

The issue remains funding for immigration enforcement programs—specifically, funding for the two agencies at the center of the current political controversy: Immigration and Customs Enforcement (ICE) and Customs and Border Protection (CBP). Democrats are seeking a long list of restrictions on the enforcement activities of those agencies, such as requiring judicial warrants for searches and arrests, prohibitions on masking and requirements for body cameras and wearing of identification, among other things. Republicans have rejected most of these demands, and the parties remain far apart.

The impact on DHS operations may not be immediately visible. The vast majority of DHS employees are deemed essential and required to continue work with or without pay. Moreover, Congress provided \$170 billion in supplemental funding for DHS in OB3. That included supplemental funding for the enforcement operations of ICE and CBP in OB3, about \$30 billion for ICE and \$18 billion for CBP. Funding for other operations of DHS, though, will be affected, including the Transportation Security Administration (TSA), the Federal Emergency Management Agency (FEMA), and the U.S. Coast Guard. TSA operations have been adversely affected by work slowdowns in past shutdowns when lengthy, impairing airline transportation.

It is impossible to know how long the DHS funding impasse will continue, but the outlook for a rapid agreement is not promising at present.

Tariffs. The House narrowly passed last week a joint resolution under the National Emergencies Act to lift certain presidentially imposed tariffs on imports from Canada. The vote was 219-211, with six Republican members voting with all but one Democrat.

The resolution would end the national emergency declared by the President last February. Pursuant to that declaration, the President imposed additional 25 percent tariffs on articles and 10 percent on energy resources produced in Canada.

As a privileged joint resolution, it is not subject to filibuster in the Senate, so only a simple majority is required for passage. Last Spring, the Senate narrowly passed a similar resolution by a 51-49 vote, but it was never taken up by the House. The President, however, threatened to veto that resolution if also passed by the House, and he has indicated his strong disapproval of the pending House-passed resolution.

It seems highly unlikely the pending resolution, if passed by the Senate, could receive the required two-thirds vote needed to override a veto, given the narrow majorities that have supported both the pending and prior resolutions. The resolution will therefore likely stand only as a statement of disapproval of these tariffs by most Democrats and a handful of Republicans. It is also possible that there will be other such resolutions introduced, this being an election year, as tariffs have not been politically popular.

The above information is not intended to be “written advice concerning one or more Federal tax matters” subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

This article represents the views of the author or authors only and does not necessarily represent the views or professional advice of KPMG LLP.

Contacts

John Gimigliano

Co-Principal in Charge, Federal,
Legislative & Regulatory Services
Washington National Tax
T: 202-533-4022

E: jgimigliano@kpmg.com

Jennifer Acuña

Co-Principal in Charge, Federal,
Legislative & Regulatory Services
Washington National Tax
T: 202-533-3800

E: jenniferacuna@kpmg.com

Learn about us:



[kpmg.com](https://www.kpmg.com)

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

© 2026 KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.