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This update reflects facts as of Monday morning, June 22, 2026. The situation is fluid and may change.

The housing bill that has been bouncing between the House and Senate all year now seems set for passage as soon as this week. The three-year extension of foreign surveillance authority under the Foreign Intelligence Surveillance Act (FISA), however, which seemed headed for passage, has stalled. So, too, has bipartisan tax administration legislation. Meanwhile, skepticism about the prospects for another reconciliation bill seems to be growing, potentially leaving a list of tax proposals in search of a legislative vehicle.

Housing legislation. The House and Senate have been trading versions of legislation intended to address affordability of housing. The 21st Century ROAD to Housing Act is a collection of several dozen provisions relaxing regulatory requirements and easing financing. The legislation enjoys bipartisan support, as affordability is an important issue in the coming elections.

Late last week, it appears agreement was reached on a few remaining areas of difference between the Houses. It retains a provision that limits the acquisition of single-family dwellings by institutional investors, a provision requested by the President, but it eliminates a related provision limiting build-to-rent projects. The Senate passed a procedural motion 87-8, setting up a final vote this week. Key House negotiators have indicated agreement on changes, so final passage seems set.

The housing bill does not include any tax provisions. It does, however, include one unrelated provision that bars the Federal Reserve from issuing a digital currency.

FISA extension. FISA section 702 is the national security provision that authorizes warrantless surveillance of foreign persons. It expired in April and has been extended twice, the last extension expiring on June 12. Long term extension has been slowed by concern that U.S. citizens may be ensnared in the surveillance.

It appeared before expiration of the extension that bipartisan agreement had been reached on reforms to address concerns about the authority. The appointment by the President of a controversial acting Director of National Intelligence (DNI), however, caused Democrats to withdraw support. That concern was seemingly addressed last week by the nomination of a new permanent DNI and the quick scheduling of a confirmation hearing in the Senate. The President, however, cancelled the nominee's appearance for the hearing, tying it to confirmation of a new U.S. Attorney for the Southern District of New York and passage of controversial election legislation, the SAVE Act. That has again caused withdrawal of support for the long-term FISA extension.

Congress will likely struggle this week to pass another short-term extension, while seeking a longer-term solution.

Tax administration legislation. The House passed a package of six tax administration reform bills with strong bipartisan support in late April. The Senate Finance Committee has been working on its own legislation, also with strong bipartisan support. The Finance Chairman and Ranking Democrat have introduced the Taxpayer Assistance and Service Act.

Progress was halted last week, however. Committee Democrats indicated they would offer an amendment to block a proposed settlement of the President's claim against the IRS and any pending tax liabilities. The Chairman said he would not schedule a markup of the legislation in the Committee so long as Democrats push the amendment.

Reconciliation legislation. Prospects for another partisan reconciliation bill remain uncertain, at best. It would be the third, counting the One Big Beautiful Bill Act (OB3) and this year's immigration enforcement funding legislation.

Most Republican tax priorities were addressed in OB3, including the permanent extension of the tax cuts of the Tax Cuts and Jobs Act and other reforms and cuts. Support for the pending agenda of tax proposals is far less deep. Expired and expiring tax incentives like the Work Opportunity Tax Credit and expensing for film production, and new proposals like double-tax relief for Taiwan business and allowing a full deduction for gambling losses, are comparatively narrow.

The principal proposal for reconciliation is defense funding. In addition to his request for \$1.15 trillion for defense in his proposed FY2027 budget, the President has asked for \$350 billion through a partisan budget reconciliation bill. The size of the combined request for \$1.5 trillion greatly exceeds the annual FY2026 defense appropriation of \$838 billion, even after including the additional \$150 billion included in OB3. The size of the spending request gives rise to concerns about the effect on the deficit and the imbalance with nondefense spending.

Prospects for tax extenders and other provisions with bipartisan support might be better in connection with year-end funding legislation.

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