KPMG

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

The House adjourned last week with no plan to return until after the November elections. The extension of government funding and reauthorization of agriculture and surface transportation programs until December 11—the only immediate must-do matters—made that possible. The House also passed the Senate's bipartisan Russia and Iran sanctions bill with its tariff authority intact, completing action on that pressing legislation, which the President signed on Friday.

The Senate remains in session this week, but how long it will remain beyond that is uncertain. Its agenda is rather short. It plans to consider a relatively uncontroversial bill to address issues in college athletics, the Protect College Sports Act, which should pass later this week. Senate Democrats could also force another vote on a war powers resolution. A procedural motion to vote on a bipartisan data center bill passed by the House, however, failed in the Senate, and it is not clear if or when the leadership plans to resurrect it. A procedural motion to advance a bill to regulate cryptocurrency also failed, potentially delaying action on that subject until a lame duck session or next year. And it does not appear the Senate plans to vote on the budget reconciliation resolution passed by the House, which would provide supplemental funding for defense and national security.

Much is being left for a lame duck session, beginning with government funding legislation, as Congress has passed none of the needed twelve appropriations bills or even agreed on top-line spending amounts.

Data centers. Data centers have become a political item in the runup to the November elections. The perceived effects on electricity rates, water usage, noise, and land use have become locally contentious in several states, raising bipartisan concerns. Those concerns have been amplified by the more general issue of artificial intelligence and concerns about unintended consequences of its use.

There is disagreement, however, about whether, or how, to address those issues at the federal level. The House passed, in response, the Ratepayer Protection Act as a first step. A relatively limited piece of legislation, it would direct state power utility regulators and unregulated utilities at least to consider requiring large facilities to cover the incremental cost of infrastructure upgrades needed to serve them. Given the short time on the calendar, the Majority Leader indicated he would allow Senate action only by unanimous consent, and there was a Democratic objection, citing the weakness of the bill, which does not make the bill's cost guidelines mandatory. The Leader has not indicated whether his view has changed about consideration of the bill under regular procedures.

Cryptocurrency. The Senate's version of the Clarity Act, approved by the Banking Committee, would be the first attempt to legislate regulation of cryptocurrency. (The House easily passed its version of the Clarity Act in July, 294-134.) The Senate Banking Committee approval was on a mostly party-line vote, however, and issues remain. Among them are the payment of "yields" on stablecoins, which commercial banks view as potential competition for deposits. And also of concern are "ethics" issues, mostly pertaining to the involvement of the President—or any government official—in the industry.

A procedural motion to move to consideration of the Clarity Act failed 49-50, 60 votes being needed for cloture. As in the case of data center legislation, Senate leadership has not indicated an intent to bring up the measure again before the elections, given the short time available and the lack of bipartisan agreement on the open issues. Whether there will be time and will to resolve those issues and bring the bill up again in the lame duck session is uncertain at best, given the press of other urgent business.

Budget reconciliation 3.0. The House passed a budget resolution before adjourning in July that provides reconciliation instructions for a bill that would provide authorization for up to $95 billion in supplemental funding, including $73 billion for defense and national security. In large part, the $60 billion it would authorize for defense is to cover the cost of the military action in Iran. It further authorized up to $12 billion for farm aid and $10 billion for elements of the election reform legislation associated with the SAVE America Act. Democratic opposition was unanimous, given opposition to both the Iran war and SAVE, and it barely passed, 216-214, with three Republicans voting against it, as well as all Democrats.

The Senate Majority Leader has indicated he does not plan to take up the budget resolution before the elections. Unless that position changes, this will likely be another issue under consideration in the lame duck session, unless needed defense funding is provided in the annual defense appropriation bill or a continuing resolution in advance of the December 11 expiration of the existing continuing resolution.

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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

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