



TaxNewsFlash

United States

No. 2025-066
February 12, 2025

Legislative update: House Budget Committee releases 2025 budget resolution and schedules markup

The House Budget Committee today released [bill text](#) of a 2025 budget resolution and scheduled a committee markup of the resolution for tomorrow, February 13, 2025, at 10:00 a.m. ET.

The budget resolution contains reconciliation instructions that would authorize various House committees to draft portions of a reconciliation bill at a later date. Special “budget reconciliation” procedures allow tax legislation to be passed with only a simple majority vote in the Senate without being subject to a filibuster. Using the reconciliation process would allow Republicans to pass tax legislation with little or no support from the Democrats in the Senate. The procedure of budget reconciliation has been routinely used by both parties to enact tax legislation when one party is in control of Congress and the White House. Recent examples include the Tax Cuts and Jobs Act (TCJA) and the Inflation Reduction Act of 2022.

When combined into one reconciliation bill, the various portions of the bill would authorize a total maximum of \$4.8 trillion in deficit increases and require a minimum of \$1.502 trillion in deficit reductions over fiscal years 2025-2034. The budget resolution unveiled today specifically includes instructions that would allow the House Ways and Means Committee to increase the deficit by up to \$4.5 trillion over the budget window in a possible future reconciliation bill. Among other possible legislative changes that the Committee could choose to include in a reconciliation bill, Chairman Jason Smith (R-MO) has indicated that he intends for the Committee to address the scheduled expiration at the end of 2025 of many of the provisions of the TCJA.

However, the budget resolution also includes a policy statement that the goal of the budget resolution is to reduce mandatory spending by \$2 trillion over the budget window, and if the combined deficit reduction provided by authorizing committees is below this target, the \$4.5 trillion instruction provided to the House Ways and Means Committee should be reduced by a commensurate amount to offset the difference.

Next steps

The budget resolution must be approved by the House Budget Committee before it may be considered by the full House. If it passes the House, the Senate would then consider the resolution. A budget reconciliation bill can only be assembled after the two chambers pass identical budget resolutions.

The Senate Budget Committee today began a two-day committee markup of a [budget resolution](#) that does not contemplate addressing the scheduled expiration of the TCJA provisions, which Senate Republicans have indicated they plan to address in a 2026 budget resolution to be considered later this year.

KPMG observation

It appears that the House and Senate Republicans have not yet agreed upon a path forward for addressing budget and tax priorities. The House resolution would provide for a large reconciliation bill that could address both the expired TCJA tax cuts and scheduled business tax increases, as well as other border security, defense, and energy initiatives. By contrast, the Senate budget resolution provides only for the nontax initiatives and would not contain a significant tax title. The Senate approach would leave the TCJA and other tax issues for a second reconciliation bill at a later date. Any reconciliation bill would, of course, require agreement of the House and Senate.

kpmg.com/socialmedia



The information contained in TaxNewsFlash 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, as the content of this document is issued for general informational purposes only, is intended to enhance the reader's knowledge on the matters addressed therein, 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 on such information without appropriate professional advice after a thorough examination of the particular situation.

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

KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

Direct comments, including requests for subscriptions, to [Washington National Tax](https://www.washingtonnationaltax.com). For more information, contact KPMG's Federal Tax Legislative and Regulatory Services Group at +1 202.533.3712, 1801 K Street NW, Washington, DC 20006-1301.

To unsubscribe from TaxNewsFlash, reply to [Washington National Tax](https://www.washingtonnationaltax.com).

[Privacy](#) | [Legal](#)