

Tax News & Views
Capitol Hill briefing.

October 13, 2023

Scalise wins House speaker nomination, but drops out after the gavel proves elusive

The House Republican Conference voted by a narrow margin this week to nominate Majority Leader Steve Scalise of Louisiana to serve as the chamber's next speaker. But for Scalise, winning enough support from his GOP colleagues to secure the majority he needed on the House floor to take the top spot proved to be an even more formidable challenge, and he announced that he was dropping out of the race just one day later.

Done in by math problems

Scalise won the speaker nomination during a closed-door Republican Conference meeting on October 11, defeating his sole declared opponent, House Judiciary Committee Chairman Jim Jordan, R-Ohio, by a vote of 113-99. The speaker is elected by a vote of the entire House, however, so to win the gavel Scalise needed to garner an absolute majority of all members present and voting. Republicans currently hold 221 seats in the chamber, Democrats hold 212, and 2 seats are vacant. With all the chamber's Democrats expected to support of *their* leader, Rep. Hakeem Jeffries of New York, Scalise could afford to lose no more than 4 votes from within the Republican Conference if he hoped to clear the 217-vote threshold required for a majority.

Based on comments by various Republican House members to reporters since the October 11 conference meeting adjourned, it appears that several members—more than enough to sink the nomination—were reluctant to coalesce around Scalise and support his bid for speaker on the House floor. A contingent of more conservative GOP members was intent on voting for Jordan, who is a founding member of the House Freedom Caucus. (Jordan, for his part, had said he would support Scalise and offered to give a nominating speech for Scalise when the time came for a floor vote.) Other Republicans, angered by the way in which a handful of Freedom Caucus members were able to use a "motion to vacate" to force then-Speaker Kevin McCarthy, R-Calif., out of leadership on October 3 after he advanced a stopgap government funding measure that relied on Democratic votes for passage, had declared they intended to support their former leader. (McCarthy stated shortly after losing the speakership that he would not make a bid to reclaim his former job, and even though he appeared to hint earlier this week that he would return to the position if his colleagues demanded it, in the lead-up to the October 11 nomination meeting, he urged conference members not to cast a vote for him.) Still others indicated that they would not support Scalise unless he first committed to meeting an assortment of specific policy demands.

Although there was no official whip count reflecting Scalise's level of support within the conference, various press reports suggested that the holdouts—that is, GOP House members who publicly stated they intended to vote for someone other than Scalise and those who publicly stated that they were not yet committed to supporting him—numbered well into the double digits.

After he secured the nomination, Scalise met individually with holdouts in an attempt to assuage their concerns and he appeared before the entire Republican conference the afternoon of October 12 in a meeting that lasted more than two hours. Despite those efforts, however, he remained short of the level of support he needed to move his nomination to the House floor. (House Republican leaders wanted to ensure that Scalise

had locked down the 217 votes he needed to become speaker before they held a floor vote—a strategy they hoped would avoid a repeat of the somewhat chaotic process surrounding Kevin McCarthy's election as speaker in January, which stretched out over four days and 15 ballots.)

Speaker Pro Tempore Patrick McHenry, R-N.C., had alerted members to stand by for a possible floor vote on October 11 and again on October 12 but no votes were called on either day. Scalise was set to meet with the GOP conference on the evening of October 12, presumably for further talks; but with a majority still apparently out of reach, he instead told his colleagues at that meeting that he would no longer seek the speakership.

Next steps uncertain

It was unclear at press time how House Republican leaders intend to manage the process of nominating another candidate for the speaker's post and shepherding him—or her—through a conference that is beset by competing priorities and whose power hinges on an extremely narrow majority. Republicans were expected to hold a candidate forum on the afternoon of October 13 to give speaker-hopefuls an opportunity to make their respective cases to the conference. Rep. Jordan has indicated that he intends to make another run for the speaker's post, though there is concern among some House in the GOP that he, like Scalise, may be incapable of nailing down 217 votes. In addition to Jordan, Rep. Austin Scott of Georgia has declared his own candidacy. Although Scott is considered a heavy underdog in the internal GOP race, his vote total within the conference may indicate the level of difficulty Jordan would have in clinching a majority on the House floor.

Scalise, meanwhile, spoke to reporters shortly after he announced his withdrawal from the race, but was tight-lipped when asked about a potential new field of candidates.

"I am sure there will be a lot of people that look at [running]," he said, "but it's got to be people that aren't doing it for themselves and their own personal interests."

Also unclear is what a prolonged speaker's race will mean for ongoing House operations. Without an elected speaker at the helm, the House has so far not conducted legislative business—a predicament that is growing more urgent by the day as lawmakers face pressures to address priorities such as the looming expiration of the stopgap measure funding the federal government on November 17 and calls from members in both parties to provide emergency support for Israel in its war against Hamas.

Although Patrick McHenry was put in place as speaker pro tempore immediately after the speaker's chair was declared vacant on October 3, his position generally is considered to be ministerial and its powers limited to overseeing the election of a permanent speaker. There are some parliamentary scholars, however, who insist that the speaker pro tempore's authority is far more expansive, which has led some Republicans to suggest that the chamber enhance the powers of the position so that the House can resume operations while the speaker's race continues.

Michael DeHoff
 Tax Policy Group
 Deloitte Tax LLP

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms or their related entities (collectively, the "Deloitte organization") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte provides industry-leading audit and assurance, tax and legal, consulting, financial advisory, and risk advisory services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our professionals deliver measurable and lasting results that help reinforce public trust in capital markets, enable clients to transform and thrive, and lead the way toward a stronger economy, a more equitable society and a sustainable world. Building on its 175-plus year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte's approximately 415,000 people worldwide make an impact that matters at www.deloitte.com.