

Johnson retains House speakership, Senate leadership takes shape as 119th Congress gets started

The 119th Congress formally convened on January 3, with the Republican majority in the House of Representatives reelecting Rep. Mike Johnson of Louisiana as the chamber's speaker.

Johnson, who was publicly supported by President-elect Trump, won the election against Minority Leader Hakeem Jeffries (D-N.Y.) in the first roll call vote after two Republicans who had initially voted for other members switched their vote to Johnson while the vote was held open, giving the Louisiana Republican the 218 votes he needed to remain as speaker. Johnson lost one Republican member – Rep. Thomas Massie of Kentucky – who voted for House Majority Whip Tom Emmer (R-Minn.), while Jeffries won all 215 votes from the Democrats. (The speaker is elected by a vote of the entire House, so to win the gavel, the candidate must secure an absolute majority of all members present and voting.)

Due to the GOP's razor thin majority, Johnson needed near unanimous support from Republican members for the party-line vote. Looking at the numbers, the GOP had secured 220 seats in the House compared to 215 seats for the Democrats in the November congressional elections; however, now-former Republican Rep. Matt Gaetz of Florida resigned after being reelected on November 5 and decided not to take the oath of office when the 119th Congress convened, reducing the Republican majority from 220 to 219 seats. Additional Republican vacancies are expected in the first months of this year as two lawmakers – Reps. Mike Waltz of Florida and Elise Stefanik of New York – have been selected to work for the new administration, and as a result, the GOP's control of the House will be further reduced to 217 seats early in 2025 (with 215 seats for the Democrats). All three vacancies will have to be filled in special elections. (For prior coverage, see *Tax News & Views*, Vol. 25, No. 32, Dec. 6, 2024.)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/241206_2.html](https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/241206_2.html)

Although there was some uncertainty that Johnson would reach the 218 votes he needed during the first roll call vote, his win was far quicker than the election the House held two years ago when it took former Speaker Kevin McCarthy of California 15 roll call votes to be formally elected as chamber speaker. (For prior coverage, see *Tax News & Views*, Vol. 24, No. 2, Jan. 13, 2023.) Johnson – who has been the speaker since October 2023 – took former Speaker McCarthy's place when he was ousted from the top spot after a handful of House Freedom Caucus members pushed through a "motion to vacate" in response to McCarthy's decision to advance a stopgap government funding measure that relied on Democratic votes for passage. (For prior coverage, see *Tax News & Views*, Vol. 24, No. 36, Oct. 27, 2023.)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2023/TNV/230113_1.html](https://dhub.deloitte.com/Newsletters/Tax/2023/TNV/230113_1.html)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2023/TNV/231027_1.html](https://dhub.deloitte.com/Newsletters/Tax/2023/TNV/231027_1.html)

President-elect Trump congratulated Speaker Johnson after the election "for receiving an unprecedented vote of confidence in Congress." He further declared that "Mike will be a great speaker, and our country will be the beneficiary."

For his part, House Minority Leader Hakeem Jeffries advocated for working in a bipartisan manner this year, stating that “House Democrats will work hard to find bipartisan common ground with our Republican colleagues and the incoming administration on any issue, whenever and wherever possible, in order to make life better for everyday Americans.” Jeffries also emphasized in his January 3 floor remarks that Democrats will “fight hard to make sure that no one in [Washington D.C.] takes away Social Security or Medicare from the American people,” underscoring the fact that “Social Security and Medicare are not entitlement programs, they are earned benefits.”

As the 119th Congress proceeds, Speaker Johnson is joined in the House leadership by Majority Leader Steve Scalise of Louisiana, Majority Whip Tom Emmer of Minnesota, and Republican Conference Chair Lisa McClain of Michigan.

Across the aisle, Hakeem Jeffries, who holds the top spot for House Democrats, will work with Minority Whip Katherine Clark of Massachusetts, and Democratic Caucus Chair Pete Aguilar of California.

Republicans express reservations

Though Johnson got the 218 votes he needed to remain as speaker, some members of the Republican conference still have reservations about his ability to effectively serve in that capacity.

During the roll call vote for speaker, several conservative Republicans who were present in the chamber did not initially cast a vote when their names were called, signaling potential difficulties for the Louisiana Republican, although, they later voted for him. Three other GOP representatives – Ralph Norman of South Carolina, Thomas Massie of Kentucky, and Keith Self of Texas – voted for members other than Mike Johnson for speaker during the initial roll call. Ultimately after receiving a nudge in a telephone call with Trump, and gaining certain assurances from Johnson, Reps. Norman and Self changed their vote, giving Johnson the votes he needed to remain as speaker, with Massie as the lone “no” vote on the final tally.

Self described his conversation with Trump this way: “The message was that he wants what everyone else wants: his agenda to pass.” Self added that his message to Trump was “Mr. President, we need a strong negotiating team.”

Following the roll call vote, House Freedom Caucus Board members released a letter to their Republican colleagues which highlighted their concerns about Johnson’s track record over the past 15 months as speaker. In demanding the House deliver quickly on President-elect Trump’s agenda, the conservative lawmakers maintained that the speaker has not yet committed to: modifying the House calendar to work at least 5 days per week for the first 10 weeks (similar to the Senate calendar); ensuring any reconciliation package reduces spending and the deficit in real terms; and guaranteeing members can offer amendments on legislation and ending the practice of putting bills on the floor that violate the rule that members have at least 72 hours to review the final text.

URL: <https://x.com/freedomcaucus/status/1875270593333039601>

With respect to legislation before Congress, some of the must-do items for this group of lawmakers include: cutting what they consider rampant inflationary spending to guarantee deficit reduction and a path to a balanced budget; not increasing federal borrowing before real spending cuts are agreed to and put in place; repealing electric vehicle provisions enacted in the Inflation Reduction Act; and enacting border security reforms.

Notable signers of the letter include House Budget Committee members Ralph Norman of South Carolina and Chip Roy of Texas (whose panel, along with the Senate Budget Committee, will play a key role in drafting any budget resolutions and related reconciliation instructions this year that will give Republicans an opportunity to fast-track the Trump administration's tax policy priorities).

New rules for the 119th Congress

After the speaker election and the swearing-in of House members, it is customary at the outset of a new Congress for the majority party in the House to debate and adopt a package of rules designed to, among other things, govern member conduct and the terms of legislative debate in that chamber during the two-year span of that Congress. The GOP rules package for the 119th Congress (legislative text and summary) was originally released on January 1, then modified, and ultimately adopted on January 3 by a vote of 215 to 209.

URL: <https://www.congress.gov/bill/119th-congress/house-resolution/5/text?s=4&r=221>

URL: <https://docs.house.gov/billsthisweek/20241230/119th%20Congress%20Rules%20Section%20by%20Section%20For%20Circulation%2001.03.25.pdf>

At a high level, the package reaffirms most of the rules adopted by House Republicans in early 2023 after they captured the chamber's majority in the November 2022 elections but makes several amendments to that earlier package. In assessing the provisions discussed here it is important to keep in the mind that House rules can be – and often are – waived by a simple majority as legislation moves through the chamber. In this way, House rules sometimes serve more as messaging tools at the beginning of a Congress than true restrictions on policy.

Several rules changes, described below, are likely to have a direct impact on tax and budget policy. These include:

US-Taiwan Double Taxation Relief: In a list of 12 bills named in the rules package, the House included a Taiwan tax measure that is expected to get fast-track consideration and would provide special rules for the taxation of certain residents of Taiwan of income from sources within the United States. The measure is part of a greater ongoing effort by Congress to address double taxation burdens on Taiwanese companies in the United States.

Early last year, a Taiwan tax proposal was included as part of a larger tax package – Tax Relief for American Families and Workers Act of 2024 (H.R. 7024) – which passed the House with wide bipartisan support but stalled in the Senate. The bill was negotiated between House Ways and Means Chairman Jason Smith (R-Mo.) and Senate Finance Committee Chairman Ron Wyden (D-Ore.). (For prior coverage, see *Tax News & Views*, Vol.

25, No. 3, Jan. 19, 2024.) The proposal generally would provide benefits for income from US sources earned or received by qualified residents of Taiwan, including reduced tax rates, taxation of only that income effectively connected with a US permanent establishment, and preferential treatment of wages and related income earned by qualified residents. It also would authorize the president to negotiate additional tax benefits between the US and Taiwan subject to certain limitations. The provisions reflect the fact that the US cannot sign a tax treaty with Taiwan because of the “One China” policy, under which the US recognizes the People’s Republic of China (PRC) as the sole legal government of China, therefore maintaining formal relations with the PRC and only unofficial relations with Taiwan. (For prior coverage, see *Tax News & Views*, Vol. 25, No. 5, Feb. 2, 2024.)

[URL: https://www.congress.gov/bill/118th-congress/house-bill/7024/text](https://www.congress.gov/bill/118th-congress/house-bill/7024/text)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240119_1.html](https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240119_1.html)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240202_1.html](https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/240202_1.html)

In another attempt at moving a Taiwan tax bill, a bipartisan group of lawmakers on December 6 of last year urged Senate and House leaders to pass legislation before the end of the 118th Congress that would fix the double taxation issue between the United States and Taiwan. The lawmakers argued that “tax disincentives discourage Taiwanese and American companies from expanding reciprocal investments in both economies due to the absence of a bilateral tax arrangement.” Though a proposal could have been attached to a larger bill – such as legislation reauthorizing the National Defense Authorization Act – or fashioned as a stand-alone measure, Congress failed to act before the end of the year when the 118th Congress expired.

[URL: https://bera.house.gov/news/documentsingle.aspx?DocumentID=400430](https://bera.house.gov/news/documentsingle.aspx?DocumentID=400430)

With the rules package now adopted, the House can consider the new bill (H.R. 33) in the 119th Congress to fix the double taxation issue between the United States and Taiwan in a speedy manner. Under the rules package, the bill will be subject to just one hour of debate and one motion to recommit, with a subsequent vote on its passage. It is unclear, however, when the bill will be taken up in the House, and it still needs to be considered in the Senate. (Congressional Republicans plan to move tax legislation through the budget reconciliation process this year, however, certain budgetary impact requirements could keep a Taiwan tax bill from being included in the package.)

[URL: https://www.congress.gov/bill/119th-congress/house-bill/33/text](https://www.congress.gov/bill/119th-congress/house-bill/33/text)

Inflationary analysis for new legislation: The rules package continues a previously adopted rule that would require the Congressional Budget Office (CBO) to analyze the potential inflationary impact of certain legislation. As written, if an estimate of the fiscal impact of proposed legislation provided by the CBO shows changes in mandatory spending causing a gross budgetary effect in any fiscal year over a ten-year period (defined as equal to or greater than 0.25 percent of the gross domestic product), then that estimate shall include a statement estimating the inflationary effects of the legislation.

Motion to vacate: A key change in the rules package that is not related to tax or fiscal policy involves the “motion to vacate the Chair” (that is, forcing a vote to remove a sitting speaker), which now requires that the motion be made by a member of the majority party along with eight cosponsors of that party. (In other words, it now will take 9 members of the majority party – instead of just 1 – to compel action on a motion to remove a sitting speaker.) The prior rule was agreed to by McCarthy to win over recalcitrant Republicans during his

speaker bid in 2023 and was a restoration of long-standing House precedent, however, the ability to trigger a motion by a single member was ultimately used against the now-former speaker when he relied on Democrat support to approve a stopgap government funding measure.

Leadership changes in the Senate

The kickoff of the 119th Congress was less strained in the Senate, where Republicans and Democrats this week installed their respective leadership teams.

With the Republicans taking control of the Senate starting this year, Sen. John Thune of South Dakota is the new majority leader of the chamber, John Barrasso of Wyoming is majority whip, and Tom Cotton of Arkansas is Republican conference chairman. Sen. Charles Grassley of Iowa will resume his role as president pro tempore of the Senate, a position that is third in line to the presidency after the vice president and the House speaker and is traditionally held by the most senior senator in the majority party.

On the other side of the aisle, the Democratic roster includes Sen. Charles Schumer of New York who will continue to lead Democrats in the minority, Richard Durbin of Illinois as minority whip, and Amy Klobuchar of Minnesota as chair of the party's Policy and Communications Committee, taking over the position when now-former Sen. Debbie Stabenow (D-Mich.) retired.

Taxwriting committee developments

With President-elect Trump and congressional Republicans aiming to extend soon-to-expire tax cuts in the Tax Cuts and Jobs Act of 2017 (TCJA, P.L. 115-97), and further cut taxes on individuals and businesses, the taxwriting committees will play a prominent role in congressional legislative action this year. Both Republicans and Democrats have now finalized their membership rosters for the 119th Congress after the loss of several rank-and-file committee members who retired or lost reelection in November.

URL: <https://www.congress.gov/115/plaws/publ97/PLAW-115publ97.pdf>

For a current list of members on the House Ways and Means Committee and on the Senate Finance Committee for the 119th Congress, see a chart prepared by Deloitte Tax LLP.

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250103_1_suppA.pdf

New House Ways and Means Committee members: The House Ways and Means Committee's four new Republican members in the 119th Congress include Reps. Aaron Bean of Florida, Nathaniel Moran of Texas, Rudy Yakym of Indiana, and Max Miller of Ohio. The incoming new committee members will replace Reps. Brad Wenstrup of Ohio and Drew Ferguson of Georgia who did not seek reelection, and Rep. Michele Steele of California who lost reelection. The committee is also expanding in size, which accounts for the fourth new member being added. Rep. Jason Smith of Missouri will continue as the committee's chairman.

For the minority, Leader Hakeem Jeffries (D-N.Y.) announced on January 7 that Del. Stacey Plaskett of the Virgin Islands, Reps. Brendan Boyle of Pennsylvania and Tom Suozzi of New York are returning to the Ways and Means Committee following an absence. Plaskett lost her seat on the panel in 2023 in a party reapportionment

after Democrats lost the House majority in the November 2022 midterms, and Boyle went on leave from the committee beginning in 2023 after becoming ranking member of the House Budget Committee. Suozzi did not seek reelection to Congress in November of 2022 and instead launched an unsuccessful bid to become governor of New York. He reclaimed his former congressional seat following his victory in a special election in 2024 to replace expelled GOP Rep. George Santos. Two of the minority's taxwriters – Reps. Earl Blumenauer of Oregon and Dan Kildee of Michigan – did not seek reelection in 2024.

[URL: https://jeffries.house.gov/2025/01/07/leader-jeffries-announces-new-appointments-to-committees-for-the-119th-congress/](https://jeffries.house.gov/2025/01/07/leader-jeffries-announces-new-appointments-to-committees-for-the-119th-congress/)

Democratic Rep. Gwen Moore of Wisconsin will become the committee's new vice ranking member.

(For prior coverage of Republican and Democratic Ways and Means Committee member developments, see *Tax News & Views*, Vol. 25, No. 34, Dec. 20, 2024.)

[URL: https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/241220_1.html](https://dhub.deloitte.com/Newsletters/Tax/2024/TNV/241220_1.html)

Ways and Means subcommittee leadership changes: With the new Congress, Republican Rep. Ron Estes of Kansas will take over as chair of the Social Security subcommittee, replacing Rep. Drew Ferguson of Georgia who did not seek reelection. The other Republican heads of the Ways and Means subcommittees will remain the same, with Rep. David Schweikert of Arizona at Oversight, Rep. Vern Buchanan of Florida at the Health subcommittee, Rep. Mike Kelly of Pennsylvania on the Tax panel, Rep. Adrian Smith of Nebraska at the Trade subcommittee, and Rep. Darin LaHood of Illinois at Work & Welfare.

On the other side of the dais, two Ways and Means Committee Democrats are taking on new roles as subcommittee ranking members. Rep. Linda Sanchez is taking over as the ranking member of the Trade subcommittee amidst the retirement of Rep. Earl Blumenauer of Oregon at the end of the 118th Congress, and Rep. Terri Sewell of Alabama grabbed the top Democratic spot on the Oversight subcommittee. The Democratic ranking members of the other Ways and Means subcommittees will remain the same, with Rep. Lloyd Doggett of Texas at the Health subcommittee, Rep. John Larson of Connecticut at Social Security, Rep. Mike Thompson on the Tax panel, and Rep. Danny Davis of Illinois at Work & Welfare.

New Senate Finance Committee members: The Republican takeover of the Senate means that leadership of the Senate Finance Committee has changed hands, with Sen. Mike Crapo (R-Idaho) taking over as the new chairman (he previously served as the panel's ranking member) and Sen. Ron Wyden (D-Ore.) serving as the new ranking member (he previously served as the panel's chairman).

After securing the gavel, Crapo issued a statement stressing that the Finance Committee would “preserve and build on pro-growth tax policies, improve our global competitiveness in trade deals, and expand access to affordable, quality health care.” With a nod to the TCJA, he maintained that congressional Republicans would prevent a tax increase on “American workers and businesses,” that he said would result if the TCJA's various temporary tax cuts were allowed to expire as scheduled at the end of this year. The new chairman also indicated that the committee would consider “new tax policies to provide further relief to the American families, workers and small businesses who continue to grapple with the unaffordable cost of living.”

[URL: https://www.crapo.senate.gov/media/newsreleases/crapo-named-chairman-of-senate-finance-committee](https://www.crapo.senate.gov/media/newsreleases/crapo-named-chairman-of-senate-finance-committee)

The committee rosters have been adjusted to reflect the new Republican majority on the Senate floor, with the Republicans controlling 53 seats in the 119th Congress, while Democrats hold 47 seats – including 2 Independents who caucus with the party. All Republican members who served on the Finance Committee in the 118th Congress are back on the taxwriting panel, however, the GOP now has another seat to their side of the dais with the addition of Roger Marshall of Kansas, with a total of 14 seats, compared to the Democrats with 13 (the Democrats had 14 seats in the 118th Congress when they were in the majority).

On the other side of the dais, Democrats saw significant turnover on their roster in the 119th Congress as six current members either did not seek re-election in 2024 or lost their re-election bids. Democratic Sens. Debbie Stabenow of Michigan, Thomas Carper of Delaware, and Benjamin Cardin of Maryland had previously announced that they would not seek another term in office. Also gone is Democrat George Helmy of New Jersey, who was appointed by New Jersey Gov. Phil Murphy (D) in August of last year to fill the Senate vacancy created by the resignation of former Sen. Robert Menendez, and who also took over Menendez’s Senate committee assignments. Menendez’s former Senate seat was among those that were in play in the 2024 election cycle; however, Helmy did not run for a full term in his own right. Two other Democrats—Sens. Sherrod Brown of Ohio and Robert Casey of Pennsylvania—lost re-election to their Republican opponents.

Replacing Democratic members who have left the committee are Sens. Bernie Sanders (I-Vt.) (an Independent who caucuses with the Democrats), Tina Smith (D-Mont.), Ben Ray Lujan (D-N.M.), Raphael Warnock (D-Ga.), and Peter Welch (D-Vt.).

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