

Bessent sworn in as Treasury Secretary, Crapo and Wyden release discussion draft to improve IRS administration

The Trump administration officially added a key member to its tax and fiscal policy team this week as long-time hedge fund manager Scott Bessent assumed the top spot at the Treasury Department.

Bessent was sworn in as Treasury Secretary after being confirmed with wide bipartisan support on January 27 by a vote of 68-29, with 15 Democrats, 1 Independent who receives his committee assignments from the Democrats, and 52 Republicans supporting his confirmation. (The vote on final passage came after 15 Democrats joined 52 Republicans to support an earlier procedural motion that cleared the chamber by a margin of 67-23.)

At his confirmation hearing before the Senate Finance Committee on January 16, Bessent highlighted his support for extending soon-to-expire tax cuts in the Tax Cuts and Jobs Act of 2017 (TCJA, P.L. 115-97) which are taking center stage in this year's tax policy debate. He told the Senate panel that extending the TCJA tax cuts will grow the economy, support small businesses, and provide financial relief to American taxpayers, and further emphasized that cutting taxes is "the most important issue of the day." (For details of the hearing, see *Tax News & Views*, Vol. 26, No. 2, Jan. 17, 2025.) In addition to his oral testimony, he provided the committee with a lengthy response to written questions submitted for the record by panel members.

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

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250117_2.html

URL: https://www.finance.senate.gov/imo/media/doc/responses_to_questions_for_the_record_to_scott_bessent.pdf

Senate Finance Committee Chairman Mike Crapo (R-Idaho) expressed his support for Bessent and emphasized that he "is committed to restoring the prosperity and opportunity experienced under President Trump's leadership." He added on January 27 that he "looks forward to working closely with him to ensure we extend the policies that benefitted Americans of every income bracket and enabled families and businesses to get ahead. If qualifications--and, I might add, character--are one's test for supporting a nominee, voting to confirm Mr. Bessent is one of the easiest votes we could ever take."

URL: <https://www.finance.senate.gov/ranking-members-news/crapo-supports-bessent-for-treasury-secretary>

Crapo took exception with members who he said argued that extending the soon-to-expire tax cut provisions in the TCJA would be "a tax cut for rich billionaires" and stressed that "the vast majority of the tax cuts go to everyday people – to people making less than \$400,000 a year."

Bessent, for his part, disagreed with Democratic committee members at his confirmation hearing who argued that the benefits of extending a majority of the TCJA tax cuts only went to the richest Americans. In response, he maintained that the "top 50 percent of Americans now pay 98 percent of the taxes."

Though Bessent secured bipartisan support to be the new Treasury Secretary, a number of Democrats voted against the hedge fund manager, including Senate Finance Committee Ranking Member Ron Wyden (D-Ore.) who – in his January 27 statement – continued to assert that Bessent opted out of paying for his fair share in to

the Social Security and Medicare Trust fund on certain income earned through his hedge fund, Key Square Group LP. When asked about this matter during the confirmation process, Bessent indicated that he would consider amending his tax returns only if his interpretation of the tax laws was ruled incorrect by higher courts.

URL: <https://www.finance.senate.gov/chairmans-news/wyden-statement-opposing-bessent-confirmation>

Crapo and Wyden release discussion draft to improve IRS administration

In other news, the two heads of the Senate Finance Committee – Chairman Crapo and Ranking Member Wyden – released on January 30 a bipartisan discussion draft (text and section-by-section summary) to improve IRS processes and administration. Comments on the draft are requested by March 31.

URL: https://www.finance.senate.gov/imo/media/doc/tax_admin_bill.pdf

URL: https://www.finance.senate.gov/imo/media/doc/tas_act_discussion_draft_section_by_section.pdf

The draft – the Taxpayer Assistance and Service Act – focuses on a variety of issues including improvements to tax administration and customer service, the simplification of rules for Americans citizens living abroad, the imposition of penalties on tax return preparers, and more.

“As the tax filing season gets underway, this draft legislation suggests practical ways to improve the taxpayer experience,” Crapo and Wyden said in a January 30 statement. “These adjustments to the laws governing IRS procedure are designed to facilitate communication between the agency and taxpayers, streamline processes for tax compliance and disputes and ensure taxpayers have access to timely expert assistance.”

URL: <https://www.finance.senate.gov/ranking-members-news/crapo-wyden-issue-discussion-draft-to-improve-irs-administration>

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