

Digital asset disapproval resolution clears the House, renewed attention on energy tax credits

The House voted 292-132 on March 11 in favor of a resolution of disapproval (H.J. Res. 25) which, if passed by the Senate and signed by President Trump, would invalidate recently issued final regulations from the Treasury Department and the Internal Revenue Service requiring noncustodial industry participants to report digital asset transactions to the IRS.

URL: <https://www.congress.gov/bill/119th-congress/house-joint-resolution/25/text>

URL: <https://public-inspection.federalregister.gov/2024-30496.pdf>

Though the Senate adopted a version of this resolution (S.J. Res. 3) last week, the upper chamber would still need to vote on the House-passed measure again due to rules requiring legislation affecting revenue to originate in the House. (The Joint Committee on Taxation estimated (JCX-11-25) that the repeal of these regulations would increase the deficit by \$3.9 billion over a ten year period.)

URL: <https://www.congress.gov/bill/119th-congress/senate-joint-resolution/3/text>

URL: <https://www.jct.gov/publications/2025/jcx-11-25/>

The resolutions disapproving the Treasury and the IRS' digital asset regulations were sponsored by Republicans' Rep. Mike Carey of Ohio (H.J. Res. 25) and Sen. Ted Cruz of Texas (S.J. Res. 3).

URL: <https://www.congress.gov/bill/119th-congress/house-joint-resolution/25/text>

URL: <https://www.congress.gov/bill/119th-congress/senate-joint-resolution/3/text>

More specifically, the disapproval resolution would reverse an IRS rule on digital assets that revised the definition of "digital asset middleman" to include certain persons who participate in decentralized financial transactions (*i.e.* non-custodial industry participants); the regulations require these participants to collect account information about the sale of a digital asset and report that data to the IRS through a Form 1099.

The resolution was introduced under the Congressional Review Act, which allows Congress to review and disapprove certain rules issued by federal agencies. The process also provides that a disapproval resolution requires only a simple majority for passage in the Senate rather than the three-fifths majority – or 60 votes – typically needed to overcome procedural hurdles in that chamber. If a disapproval resolution reaches the White House and gains the president's signature, the underlying rule is treated as though it had never taken effect and cannot be reissued in a substantially similar form unless specifically authorized in a subsequent law.

GOP applauds resolution

Several Republican lawmakers applauded the passage of the disapproval resolution, though it is worth noting that the measure passed the House and Senate with bipartisan support and at least one Democratic lawmaker, Shri Thanedar of Michigan, signed on as a cosponsor of the House-passed resolution with 76 Democrats voting in favor of the passage.

“The lesson here is simple: laws passed by Congress should be interpreted and implemented fairly, not used as a pretext to gain more control over the economy at the expense of individual taxpayers. The repeal of this misguided rule would remove a barrier preventing American consumers from participating in crypto and help cement America’s digital asset leadership,” House Ways and Means Committee Chairman Jason Smith (R-Mo.) said during floor debate on March 11.

URL: <https://waysandmeans.house.gov/2025/03/11/chairman-smith-biden-crypto-irs-rule-is-unfair-and-unworkable/>

“The IRS Broker Rule hinders American innovation in a globally competitive environment, infringes on the privacy of our constituents, and overwhelms the IRS with new filings. The IRS must focus on effectively handling its current duties and obligations, not sifting through billions of new, useless information returns,” said Carey when the resolution cleared the House Ways and Means Committee.

URL: <https://carey.house.gov/2025/02/28/in-case-you-missed-it-carey-bill-to-overturn-burdensome-crypto-rule-advances-out-of-ways-and-means-committee/>

When the Senate passed the resolution on March 4, Cruz said that “[l]ast night’s vote was a victory for American innovation. In a midnight move, the Biden administration attempted to undermine American privacy and impose burdensome regulations on digital currency. Yesterday, an overwhelming bipartisan majority voted in support of my legislation to rescind this harmful regulation. I urge the House to pass this legislation expeditiously.”

URL: <https://www.cruz.senate.gov/newsroom/press-releases/cruz-resolution-overturning-irs-rule-on-cryptocurrency-passes-by-overwhelming-bipartisan-majority>

A March 4 statement of administrative policy by the White House noted that “if S.J. Res. 3 were presented to the President, his senior advisors would recommend that he sign it into law.”

URL: <https://www.whitehouse.gov/wp-content/uploads/2025/03/SAP-SJR3.pdf>

Democrats chime in: Though the disapproval resolution passed with bipartisan support, a number of Democratic lawmakers voted against it, including Ways and Means Committee Ranking Member Richard Neal of Massachusetts.

“The bill before us today would repeal sensible and important Treasury regulations ensuring that taxpayers meet their tax-filing obligations and do not skirt the law by selling cryptocurrency without reporting their gains,” Neal said at a February 26 Ways and Means Committee markup on the resolution.

“By repealing this regulation, our Republican colleagues are allowing taxpayers to raid the fisc for an additional \$4 billion. Make no mistake about it, the bill is unpaid for.”

Next steps: The Senate received the House resolution on March 12 and placed it on the legislative calendar, however, it has not been scheduled for a vote this week and the Senate is on recess the week of March 17.

(For prior coverage on actions by the House and Senate on the disapproval resolutions, see *Tax News & Views*, Vol. 26, No. 10, March 7, 2025; *Tax News & Views*, Vol. 26, No. 9, Feb. 28, 2025.)

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250307_4.html

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250228_2.html

Energy Tax Credits

In other news, both Republican and Democratic lawmakers reached out to Speaker Mike Johnson (R-La.) this week with letters urging him not to repeal an assortment of energy tax credits through the budget reconciliation process.

Republicans: Republicans leaders in Congress have long indicated a desire to roll back the clean energy provisions of the Inflation Reduction Act (IRA, P.L. 117-169), President Biden’s signature tax-and-climate law. In addition, President Trump issued an executive order – Unleashing American Energy – to “immediately pause” the disbursement of funds appropriated through the IRA and the Infrastructure Investment and Jobs Act (P.L. 117-58), including funds for electric vehicle charging stations, and directed a review of agency processes, policies, and programs for issuing grants, loans, contracts, or any other financial disbursements of such appropriated funds. (For prior coverage of the executive order, see *Tax News & Views*, Vol. 26, No. 4, Jan. 24, 2025.)

URL: <https://www.congress.gov/117/plaws/publ169/PLAW-117publ169.pdf>

URL: <https://www.whitehouse.gov/presidential-actions/2025/01/unleashing-american-energy/>

URL: <https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf>

URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250124_1.html

However, not all Republicans lawmakers are in favor of repealing the clean energy pieces of the IRA all together. A number of GOP House members who have benefited from clean energy-related investments in their districts pressed their leadership in a March 10 letter to Speaker Mike Johnson (R-La.) not to dismantle “current and future private sector investments” as they relate to domestic manufacturing and energy innovation due to changes to the tax laws. The signatories stressed – without referring to the IRA specifically – that “both our constituencies and the energy industry alike remain concerned about disruptive changes to our nation’s energy tax structure.”

URL: <https://garbarino.house.gov/sites/evo-subsites/garbarino.house.gov/files/evo-media-document/2025.03.09-tax-credits-letter.pdf>

This letter comes after a group of 18 House GOP lawmakers last summer urged Speaker Johnson to consider sparing the energy tax credits that “have spurred innovation, investment, and created good jobs in many parts of the country” – including many districts represented by members of...[the Republican] conference, while at the same time, they acknowledged the partisan process of passing the IRA, which they stressed created a “deeply flawed bill.”

URL: <https://garbarino.house.gov/sites/evo-subsites/garbarino.house.gov/files/evo-media-document/FINAL%20Credits%20Letter%202024.08.06.pdf>

Rep. Andrew Garbarino (R-N.Y.) and the other House GOP members maintained in last summer’s letter that “prematurely repealing energy tax credits, particularly those which were used to justify investments that already broke ground, would undermine private investments and stop development that is already ongoing. A

full repeal would create a worst-case scenario where we would have spent billions of taxpayer dollars and received next to nothing in return.”

Democrats: Thirty-seven Democratic lawmakers, who have traditionally supported the energy tax credit investments, particularly those enacted as part of the IRA, urged Speaker Johnson in a letter on March 10 not to repeal the electric vehicle tax credit through the budget reconciliation process and stressed that a repeal of these credits would have “negative consequences for businesses and workers across our country.”

URL: <https://rlc.house.gov/sites/evo-subsites/regionalleadershipcouncil.house.gov/files/evo-media-document/ev-tax-credits-protection-03-10-2025.pdf>

“Together, these tax credits for EV (electric vehicle) manufacturers and buyers led American EV sales to quadruple under the Biden Administration and continue to fuel historic investment in American manufacturing,” the lawmakers indicated in the letter.

“Businesses announced at least \$112.9 billion in private investments in EV and battery manufacturing since the IRA’s passage. They also announced 106,500 new jobs in connection with those investments and are predicted to announce hundreds of thousands more in the years to come, not to mention all the other positive impacts for American businesses up and down the supply chain.”

Finally, they maintained that “roughly 84 percent of the private investments in EV and battery manufacturing announced since the IRA became law were made in congressional districts currently represented by a Republican.”

— Steven Grodnitzky
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.