Senate approves no. 2 post at Treasury, clears digital asset disapproval resolution

The Trump administration added another member of its tax and fiscal policy team this week as the Senate confirmed Michael Faulkender as deputy Treasury secretary by a party line vote of 53-43 on March 26. (The vote on final passage came after an earlier procedural motion that cleared the chamber by a margin on 52-46.)

Senate Finance Committee Chairman Mike Crapo (R-Idaho) endorsed Faulkender for the position and stated that his "years of public and private sector experience in addition to strong academic credentials" make him highly qualified for the position. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 11, March 14, 2025.)
URL: https://www.finance.senate.gov/ranking-members-news/finance-committee-advances-deputy-treasury-secretary-nominee
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250314_3.html

In floor remarks before the vote, Crapo called on his colleagues to vote in favor of the nominee and highlighted his compelling testimony at a hearing before the Senate Finance Committee on March 6 to consider his nomination for the Treasury position.
URL: https://www.finance.senate.gov/ranking-members-news/crapo-votes-to-confirm-deputy-treasury-secretary

"Mr. Faulkender spoke strongly at his confirmation hearing about his determination to tackle America's affordability crisis. I look forward to working with him to restore economic prosperity and opportunity, and usher in the economic golden age envisioned by the President."

Faulkender told the Finance Committee on March 6 that the first Trump administration's "enactment [of] pro-growth policies through tax reform" was one of its many successes that contributed to building a thriving economy. He also stated that "we must recommit ourselves to being the best place in the world to start new businesses, build new factories, and research groundbreaking new technologies by reprivatizing the economy, shrinking the regulatory overreach…slashing the inflationary spending, making pro-growth tax reform permanent, and rebalancing trade arrangements." (For details of the hearing, see *Tax News & Views*, Vol. 26, No. 10, March 7, 2025.)
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250307_2.html

For his part, Ranking Member Ron Wyden (D-Ore.) has continued to oppose Faulkender's nomination and said that one of the reasons for his opposition was what he considered to be Faulkender's justification for the GOP's plans to cut Medicaid.
URL: https://www.finance.senate.gov/chairmans-news/wyden-opposes-faulkender-nomination-slams-trump-weaponization-of-irs

"Even though the Treasury Department has no role in overseeing our bedrock health care programs, Dr. Faulkender went out of his way to defend the Republican plans to slash Medicaid and kick tens of millions of Americans off their health care." Wyden said that Faulkender's statement was in response to a question from Democratic Sen. Raphael Warnock of Georgia regarding whether it was beneficial to remove families from Medicaid. In response, Wyden said that the nominee referred to "self-sufficiency and getting off of government dependency."

The deputy secretary advises and assists the head of the department in the supervision and direction of the Treasury's activities and plays a key role in formulating and executing department policies and programs and will likely be integral to assisting Treasury Secretary Scott Bessent in defining and articulating the administration's position on any upcoming tax legislation.

Corporate Transparency Act: In other news, the Treasury Department announced on March 26 the formal publication of the Financial Crimes Enforcement Network's (FinCEN) interim final rule (RIN 1506-AB49) on the beneficial ownership information (BOI) reporting requirements under the Corporate Transparency Act (CTA). The new rule, which is effective immediately, requires only entities previously defined as "foreign reporting companies" to report BOI to FinCEN, while exempting "foreign reporting companies" from having to report the BOI of any US person who is a beneficial owner of that foreign company.
URL: https://home.treasury.gov/news/press-releases/sb0060
URL: https://www.fincen.gov/sites/default/files/federal_register_notices/2025-03-21/CTAIFR3-21-25-FINAL508.pdf

"It is important to rein in burdensome regulations to the benefit of hard-working American taxpayers and small businesses," said Treasury Secretary Scott Bessent.

"As we continue to re-leverage the private sector and de-leverage the government, we are reviewing all regulations to ensure they are fit-for-purpose, in furtherance of our ambitious economic growth agenda on behalf of the American people," he added.

The new rule follows the Treasury Department's announcement earlier in March which stated that it would not enforce any penalties or fines against US citizens or domestic reporting companies or their beneficial owners based on failing to file or update BOI reports under then-CTA's existing regulatory deadlines. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 10, March 7, 2025.)
URL: https://home.treasury.gov/news/press-releases/sb0038
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250307_2.html

Digital asset disapproval resolution

With bipartisan support, the Senate approved by a margin of 70-28 a House-passed disapproval resolution (H.J. Res. 25) that will 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. (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/house-joint-resolution/25/text
URL: https://public-inspection.federalregister.gov/2024-30496.pdf
URL: https://www.jct.gov/publications/2025/jcx-11-25/

Though the Senate had already adopted a version of this resolution (S.J. Res. 3), the upper chamber still needed to vote on the House-passed measure again due to rules requiring legislation affecting revenue to originate in the House. 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). (For prior coverage, see *Tax News & Views*, Vol. 26, No. 11, March 14, 2025.)
URL: https://www.congress.gov/bill/119th-congress/senate-joint-resolution/3/text
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250314_4.html

Upon passage, Cruz said that "cryptocurrency has become a leading driver in creating new markets and diversifying our economy. The American people know it and support crypto, and that support was reflected this evening in the overwhelming bipartisan majority that voted for my resolution."
URL: https://www.cruz.senate.gov/newsroom/press-releases/senate-votes-to-advance-sen-cruz-resolution-overturning-irs-cryptocurrency-regulation-for-presidential-signature

"I look forward to the President signing it into law and I am proud to be leading the fight to defend cryptocurrency from Biden's abusive regulatory assault," he added.

Carey said last month that "[t]he 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."
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/

In contrast, at a February 26 markup on the resolution at the House Ways and Means Committee, Rep. Lloyd Doggett (D-Texas), focused on the $3.9 billion loss of tax revenue over a ten-year period (2025-2034) from rescinding the regulations and emphasized that it would stress an already rising federal debt. (For prior coverage, see *Tax News & Views*, Vol. 26, No. 9, Feb. 28, 2025.)
URL: https://dhub.deloitte.com/Newsletters/Tax/2025/TNV/250228_2.html

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.

Next steps: President Trump is expected to sign the disapproval resolution.

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