

## Congress set to punt government funding deadline to March 11 as spending leaders close in on larger-scale spending deal

The House this week approved a short-term continuing resolution (CR) that would keep the government's doors open through March 11. The Senate is expected to pass the measure during the week of February 14 before sending it to President Biden's desk to be signed into law, which would avert a government shutdown that otherwise would occur when the current stopgap appropriations measure funding government operations lapses at midnight on February 18.

The House-approved CR—which passed on February 9 by a bipartisan 272-162 vote—would, if enacted, be the third such short-term appropriations measure in fiscal year 2022, which began on October 1 of last year. (For prior coverage, see *Tax News & Views*, Vol. 22, No. 52, Dec. 3, 2021.)

[URL: https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211203\\_2.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2021/TNV/211203_2.html)

### 'Omnibus' spending deal near?

Passage of the stopgap measure—which has been widely expected and relatively noncontroversial—comes as the top Democrats and Republicans on the Senate and House Appropriations Committees (the so-called “four corners” negotiators) announced on February 9 that they had reached an agreement in principle on a “framework” for a so-called “omnibus” package of 12 fully fleshed-out appropriations bills that would fund the government for the remainder of fiscal year 2022 (that is, March 12 through September 30, 2022) while also directing larger outlays to both domestic and defense-related programs during that period.

While details of the high-level bipartisan accord—including the top-line spending level agreed to—remained somewhat murky at press time, negotiators expressed confidence that an omnibus package could be drafted and enacted in the next few weeks.

“With this agreement we will be able to invest in our communities and provide increases for health care, education, our national security, and invest in the middle class, among other priorities,” Senate Appropriations Committee Chairman Patrick Leahy, D-Vt., said in a statement. “. . . I look forward to crafting a bill that will receive strong bipartisan support in both chambers in the coming weeks.”

House Speaker Nancy Pelosi, D-Calif., echoed those sentiments in her own statement, while noting that the forthcoming omnibus measure—if enacted—would also enable the enhanced spending amounts authorized by last year's bipartisan “hard” infrastructure law (the Infrastructure Investment and Jobs Act, P.L. 117-58) to begin to be disbursed to states and localities.

[URL: https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf](https://www.congress.gov/117/plaws/publ58/PLAW-117publ58.pdf)

“When Congress enacts this omnibus, we will also unlock the increased federal funding included in our bipartisan infrastructure law, which will transform our roads, bridges, water systems, airports, broadband, and more as we revitalize our middle class,” Pelosi said.

## **No tax provisions in CR, but what about the omnibus?**

While the short-term continuing resolution currently moving through Congress is free of any tax-related provisions, it has not been uncommon in recent years for lawmakers to include certain discrete tax changes within larger-scale spending measures, such as an omnibus funding package.

It currently remains unclear whether policymakers will attempt to move any tax-related provisions in the forthcoming omnibus, although certain stakeholders have expressed hope that Congress could act to forestall a change within tax code section 174—originally enacted as part of the 2017 Tax Cuts and Jobs Act (P.L. 115-97)—that, as of January 1 of this year, requires certain research expenditures to be amortized rather than deducted currently.

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