

Way said his experience as a staff member on the Joint Committee on Taxation would help him focus on decision-making that is nonpartisan and fair.

Finance Committee member Marsha Blackburn, R-Tenn., asked the nominees how they would address the case backlog that has plagued the court since the start of the COVID-19 pandemic. In fiscal 2021, 35,297 cases were filed, but only 19,770 were closed. The court has closed more cases than the number filed in both 2022 and 2023, but the backlog remains.

Jenkins said she believes that a full slate of judges would help assuage the issue and that she would maximize efficiency and cooperation among parties in cases. All three nominees said they hope to expedite pretrial procedures and motions to speed up consideration of cases. ■

House Republicans Aim to Zero Out OECD Funding in 2025

by Cady Stanton

House Republican appropriators kept their word on their intent to roll back funding to the OECD in fiscal 2025 appropriations as part of a larger protest against U.S. participation in the organization's global tax deal negotiations.

The House fiscal 2025 State, Foreign Operations, and Related Programs Appropriations bill released by House Republicans June 3 zeroes out federal funding for the OECD. Appropriators on the relevant subcommittee are scheduled to mark up the legislation June 4.

House Appropriations Committee Chair Tom Cole, R-Okla., foreshadowed the move when he told *Tax Notes* in April he supported efforts from his party during the last budget cycle to claw back \$67 billion in IRS funding and to eliminate federal funding to the OECD.

The OECD's budget is split into two parts, one that levies contributions that take into account the size of a member's economy, and the other based on participation in particular programs. The United States is the biggest contributor to the first part, providing 18.3 percent of the €229.9 million budget in 2024.

Adam Michel of the Cato Institute said the move to zero out funding sends a message to the White House and to countries moving ahead with pillars 1 and 2 of the OECD global tax agreement that the lawmakers aren't on board with the deal.

"I think the administration has left Congress few other options to retake their constitutional role in making international tax policy," Michel said. "That could give additional caution to folks as they're starting to implement these taxes that will have pretty dramatic consequences for American businesses."

Some House Republicans, including taxwriters on the Ways and Means Committee, have been outspoken in their opposition to the undertaxed profits rule under pillar 2, citing concerns about its impact on American businesses and a lack of accountability for China.

The budget bill builds on House Republicans' policy wins in fiscal 2024 appropriations, with further cuts to spending, according to Rep. Mario

Diaz-Balart, R-Fla., chair of the State, Foreign Operations, and Related Programs Subcommittee.

“This proposed legislation continues advancing global freedom, manifests strong solidarity with our allies, and stands firm against the malign forces undermining U.S. national security,” Diaz-Balart said in a press release.

House Democratic appropriators widely criticized the budget proposal. Subcommittee ranking member Barbara Lee, D-Calif., said the bill contains “extreme cuts and policy riders” and called for members to vote against it, and House Appropriations Committee ranking member Rosa L. DeLauro, D-Conn., said the bill would diminish the country’s leadership and competition globally.

Second Try

House Republicans previously attempted to zero out funding for the OECD during the fiscal 2024 appropriations process, but a budget rewrite resulting from negotiations with the Senate ended with a 4 percent increase in contributions to the international organization.

The effort last year came after 10 House Ways and Means Committee Republicans asked appropriators in March 2023 to deny funding in fiscal 2024 to the OECD, saying the money would be used “for the primary purpose of advocating against American families and businesses.”

The appropriations approach isn’t the only tactic House GOP members have used to try to thwart the global tax deal.

Ways and Means Committee Chair Jason Smith, R-Mo., announced legislation in May 2023 that would require Treasury to identify extraterritorial taxes and discriminatory taxes that other countries levy on U.S. companies and urge the relevant jurisdictions to repeal the measures or face remedial action in the form of a “reciprocal tax.”

The bill didn’t specify the kinds of taxes that would be in scope, but a Ways and Means release singled out the UTPR — a key element of pillar 2 — as an example.

Smith also led a group of Ways and Means Republicans on a trip to Europe in September 2023 to meet with government finance officials and OECD representatives to ensure they understand congressional Republicans’

opposition to the tax deal. In the Senate, Finance Committee Republicans have criticized Treasury Secretary Janet Yellen over the negotiations at hearings on President Biden’s budget in 2022 and 2023.

Despite the multipronged approach, the federal funding rollback tactic may be the most promising, according to Michel.

“Simply removing the funding for the entity doing the thing that Republicans don’t like is the most concrete and lowest-cost step to reinsert themselves into that decision-making,” Michel said. ■