

# LEGISLATIVE UPDATE

**February 2, 2026**

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## **Congressional Update**

Both chambers of Congress are in session this week.

**House Membership:** Voters in Houston elected Christian Menefee (D) to fill the vacancy left by the late Rep. Sylvester Turner. Once sworn in, the House will have 218 Republicans and 214 Democrats, giving Republicans a one-vote majority.

**Appropriations:** Funding for several federal agencies lapsed late last week after Congress failed to enact six appropriations bills covering Defense, Financial Services, Homeland Security, Labor–HHS, State–Foreign Operations, and Transportation–HUD. The Senate initially failed to advance the House-passed appropriations minibus, but later removed the Homeland Security title and temporarily extended Homeland Security funding at FY 2025 levels through February 13. The revised package passed the Senate by a 71–29 vote and now returns to the House, where passage remains uncertain.

House Democrats have said they will not support consideration of the bill under suspension of the rules, meaning Republican leadership will need near-unanimous support within their conference to advance it. A vote on the rule governing floor consideration is expected soon.

**House Floor Schedule:** The House returns today and plans votes through Thursday. In addition to the Senate-revised appropriations minibus, the chamber is expected to consider four measures under a rule, requiring a simple majority for passage. These include legislation to improve access to critical minerals (H.R. 4090), a resolution disapproving a District of Columbia law decoupling the city’s tax code from provisions of the One Big Beautiful Bill Act (H.J. Res. 142), and two contempt resolutions related to former President Clinton.

The House also plans to consider six measures under suspension of the rules, which require a two-thirds majority for passage. These include four veterans’ benefits bills and two Judiciary Committee measures authorizing a new Presidential Medal of Sacrifice and relocating a Civil War women’s group.

Senate Schedule: The Senate also returns today and is expected to hold votes this week on the confirmation of administration nominees.

Separately, congressional leaders and the White House have roughly one week to negotiate a longer-term Homeland Security funding solution ahead of the February 13 deadline. Negotiations are complicated by internal divisions within both parties and disagreements over immigration enforcement provisions. Passage of both the current funding measure and any follow-up Homeland Security bill is expected to require direct engagement from the White House to secure sufficient Republican support.

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## IRS Opens 2026 Filing Season

The Internal Revenue Service opened the 2026 tax filing season and began accepting and processing federal individual income tax returns for tax year 2025.

The IRS expects about 164 million individual tax returns for tax year 2025 to be filed ahead of the Wednesday, April 15, federal deadline. Taxpayers can find a range of tools and filing options on IRS.gov to help them prepare and file their returns.

“As America celebrates its 250th anniversary, the IRS and its employees are excited to once again serve American taxpayers in meeting their tax filing obligations during the 2026 filing season,” said IRS Chief Executive Officer Frank J. Bisignano.

“Not only does 2026 commemorate the 250th anniversary of the signing of the Declaration of Independence, but it also coincides with the 40th anniversary of electronic filing,” Bisignano said. “Just as we did back in 1986, today the IRS encourages taxpayers to speed the processing of their returns by using e-file, instead of paper. And to speed the processing of any refund due, we also encourage the use of direct deposit,” he added.

### Get help preparing and filing electronically

Filing electronically and choosing direct deposit remains the fastest way to receive a refund.

- [IRS Free File](#) offers eligible taxpayers brand-name tax preparation software at no cost.
- [Free File Fillable Forms](#) are available to taxpayers who are comfortable preparing and filing their own returns, regardless of income level.
- [Volunteer Income Tax Assistance and Tax Counseling for the Elderly](#) programs offer free basic tax return preparation to qualified individuals.

More than half of taxpayers use a tax professional to prepare and file their tax returns. The IRS encourages taxpayers to review tips for [choosing a tax preparer](#) and learn how to avoid [unethical “ghost” return preparers](#).

## **Most refunds are issued within 21 days**

Direct deposit is the fastest way to receive a refund. Additionally, in accordance with [Executive Order 14247](#), the IRS began phasing out paper tax refund checks on Sept. 30, 2025, meaning most taxpayers must provide their routing and account numbers to receive refunds directly deposited into their bank accounts.

Taxpayers can track refund status using [Where's My Refund?](#), the [IRS2Go](#) app, or their [IRS Individual Online Account](#).

While the IRS issues most refunds in fewer than 21 days, some returns require additional review and may take longer.

## **EITC and ACTC refunds available by March 2**

The IRS expects most refunds for the Earned Income Tax Credit and the Additional Child Tax Credit to be available in bank accounts or on debit cards by March 2, 2026, for taxpayers who chose direct deposit and have no other issues with their returns. Some taxpayers may receive their refund earlier, depending on their financial institution. [Where's My Refund?](#) will provide projected deposit dates for most early EITC/ACTC refund filers by Feb. 21, 2026.

For more information and tools to help [file a complete and accurate return](#) and avoid errors that can delay refunds, visit [IRS.gov](#).

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## **Treasury, IRS issue FAQs to address the new deduction for qualified overtime compensation under the One, Big, Beautiful Bill**

The Department of the Treasury and the Internal Revenue Service issued frequently asked questions in [Fact Sheet 2026-01](#) related to the new deduction for qualified overtime compensation under the One, Big, Beautiful Bill.

For tax years 2025 through 2028, individuals who receive qualified overtime compensation may deduct the amount that exceeds their regular rate of pay (generally, the “half” portion of “time-and-a-half” compensation) and is reported on a Form W-2 or Form 1099.

These FAQs contain additional information about the deduction, provide resources for employees (including federal employees) to assist them in determining whether they received qualified overtime compensation under the Fair Labor Standards Act, and contain useful information regarding the differences in reporting requirements for tax year 2025 and 2026-2028.

Treasury and IRS previously issued [Notice 2025-62 PDF](#) providing [penalty relief](#) to employers and other payers for tax year 2025 regarding new

information reporting requirements for qualified overtime compensation; and issued [Notice 2025-69 PDF](#) for workers eligible to [claim the deduction](#) for overtime compensation for tax year 2025.

For more information, see [One, Big, Beautiful Bill Provisions](#) on IRS.gov.

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## **TIA Right to Repair- Send a letter! Report Your Issue Webpage/QR Code**

Today's vehicles rely on advanced software, diagnostics, and data to perform even routine tire and service work. **Right to Repair** ensures tire dealers and service professionals have access to the tools and information needed to safely diagnose, repair, and recalibrate modern vehicles—without being forced to rely solely on automakers.

The **REPAIR Act**, now before Congress, would protect this access at the federal level, helping preserve consumer choice, support roadway safety, and ensure independent tire and service businesses can continue to compete and serve their communities.

**Take action today:** Urge your members of Congress to support the REPAIR Act by sending a quick letter at [repairact.com](http://repairact.com).

**Add your voice and help protect Right to Repair for the tire and service industry.**

To view the “Right to Repair - Report Your Issue” webpage click [here](#).

Report your issue QR code:



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