



MACRO

Tax Bill: Hurry Up and Wait

It was a long and frustrating Friday afternoon as we waited for the text of the tax title from the One Big Beautiful bill to emerge from the Senate Finance Committee.

Now we begin that watch again, watching for a text, a partial text, or a partial text with placeholder provisions for key points to come out again, this afternoon.

The text, or full text when we get it, is expected to cover health and tax provisions.

According to a report from Politico at 9:06 am, the Finance Committee was to begin briefing “large tax coalitions” late this morning in preparation for release of whatever text they are going to release later today.

Senate Finance Chair Mike Crapo will reportedly be briefing the Senate Republican Conference today at 5:30 pm, so we think it is reasonable to expect a text in the early afternoon or at worst shortly after Crapo’s briefing.

We would expect to see the text on the Senate Finance Committee [website](#) but we would expect news organizations to post it on X or their websites almost immediately as well.

The Senate has a short schedule this week because of the Juneteenth holiday, but we still see an outside chance that if complete text is available this week, the Senate could pass the bill next week after spending a few days to vote on unlimited amendments (the vote-a-rama).

The vehicle the Senate likely takes up next week will be subject to a manager’s amendment that could modify the Finance Committee language that presumably comes out this week.

Then, theoretically, the House could stay in session through the week of July 1 and vote through the bill by midweek before adjourning in time for July 4.

The other possibility is that the House will ask for a conference, and Congress will

June 16, 2025

James Lucier

james.lucier@capalphadc.com
703-980-0763

RELATED RESEARCH

[Tax: Bye-Bye, Fourth of July](#)
June 12, 2025

[Tariffs: Trump's Summer Stay-Cation](#)
June 05, 2025

[Section 899: Paybacks Are Hell](#)
June 04, 2025

[Court Vacates Trump's IEEPA Tariffs](#)
May 29, 2025



then take most of the month of July – with ensuing uncertainty on the details of some provisions – to reach agreement on a final version by August.

Our expectations are:

- The Senate bill will have roughly the same fiscal parameters with respect to debt and deficit impact as the House. They won't be identical, but they should be close.
- We expect to see permanent extensions of the major corporation provisions: bonus depreciation, expensing of R&D (for domestic research only), and the interest expense deduction at 30% of EBITDA.
- We wouldn't be surprised to see placeholders for SALT in particular.
- We expect Section 899 to remain but with changes.
- Currently, the proposed retaliatory tax under a Section 899 would apply to portfolio investments, active businesses, and wholly owned subsidiaries. The retaliatory tax phases in over a period of four years, but it begins immediately and automatically.
- We think it could be deferred for a brief period of time (perhaps one year) or perhaps made subject to a waiver. There has also been talk of dropping the coverage of passive or portfolio investments.
- With respect to the IRA tax credits, the House bill abruptly terminates the ITC and PTC. We expect the Senate to mitigate House language, making the cutoff less abrupt. However, we are worried that the Senate changes could be mostly cosmetic, and fall short of restoring the comparatively generous phaseout that was offered by the House bill as reported from Ways and Means.
- We think the outlook for nuclear and geothermal power is better. We don't know how the hydrogen production tax credit (Section 45V) will turn out, but we have been impressed by the lobbying campaign on its behalf.



ANALYST CERTIFICATION

The following analysts hereby certify (1) that their views about any and all of the subject companies and securities discussed in this report are accurately expressed and (2) that no part of their compensation was, is, or will be directly or indirectly related to the views expressed in this report: James Lucier.

IMPORTANT DISCLOSURES

This publication is for private circulation and distribution in its entirety; it is provided to you for information purposes only. This is not an offer to buy or sell or the solicitation of an offer to buy or sell any security/instrument or to participate in any particular trading strategy. Capital Alpha Partners, LLC ("Capital Alpha") makes every effort to use reliable, comprehensive information, but we do not represent or warrant that it is accurate or complete. The views in this publication are those of Capital Alpha and are subject to change without notice. Capital Alpha has no obligation to update its opinions or the information in this publication. Capital Alpha may provide its services to public and private companies that are referenced in, or that have a financial interest in the subject matter of, Capital Alpha's research. Neither Capital Alpha nor any of its officers, directors, partners, employees, or affiliates accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents. Analysts may own securities of the issuers discussed herein.

© Copyright Capital Alpha Partners, LLC (2025). All rights reserved. No part of this publication may be reproduced, sold, or redistributed without the prior written permission of Capital Alpha Partners, LLC.