

1 OPEN EXECUTIVE SESSION TO CONSIDER FAVORABLY
2 REPORTING THE NOMINATION OF HON. MICHAEL FAULKENDER, TO
3 BE DEPUTY SECRETARY, DEPARTMENT OF THE TREASURY
4 FRIDAY, MARCH 14, 2025
5 U.S. Senate,
6 Committee on Finance,
7 Washington, DC.
8

9 The meeting was convened, pursuant to notice, at
10 10:05 a.m., in Room SD-215, Dirksen Senate Office
11 Building, Hon. Mike Crapo (chairman of the committee)
12 presiding.

13 Present: Senators Grassley, Lankford, Daines,
14 Johnson, Tillis, Blackburn, Marshall, Wyden, Cantwell,
15 Bennet, Whitehouse, Hassan, Cortez Masto, Warren, Smith,
16 Luján, Warnock, and Welch.

17 Also present: Republican staff: Andrew Dell'Orto,
18 Policy Advisor; Gregg Richard, Staff Director; Don
19 Snyder, Senior Tax Counsel; and James Williams, Tax and
20 Economic Policy Advisor. Democratic staff: Sarah
21 Schaefer, Chief Tax Advisor; Joshua Sheinkman, Staff
22 Director; Tiffany Smith, Deputy Staff Director and Chief
23 Counsel; and Shade Streeter, Investigative Counsel.

1 OPENING STATEMENT OF HON. MIKE CRAPO, A U.S. SENATOR
2 FROM IDAHO, CHAIRMAN, COMMITTEE ON FINANCE
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4 The Chairman. The committee will come to order.
5 We will go into executive session to consider the
6 nomination of Michael Faulkender to be Deputy Secretary
7 of the Treasury. It is my understanding that some of
8 our members want to make remarks in addition to those
9 that you and I will make, Senator Wyden.

10 And so we will have time for any Senator, 3
11 minutes for any Senator to make remarks. And following
12 that, we will recess the executive session and schedule
13 the vote on Dr. Faulkender off the floor at 1:15 as we
14 go into our first vote on the floor.

15 Senator Wyden. That's fine.

16 The Chairman. We will immediately -- as we
17 recess, we will immediately follow that by going into
18 the hearing, going back into session for the hearing for
19 Dr. Oz.

20 Senator Wyden. Mr. Chairman, my understanding is
21 members think there's going to be like a 5-minute break
22 or something.

23 The Chairman. Oh, sure. We'll have a 5-minute
24 break --

25 Senator Wyden. Great.

1 The Chairman. And then we'll go into the hearing
2 for Dr. Oz. All right.

3 As I indicated today, we are meeting to vote on
4 the nomination of Michael Faulkender to be Deputy
5 Secretary of the Treasury.

6 Dr. Faulkender has years of public and private
7 sector experience in addition to his strong academic
8 credentials. His background makes him the
9 quintessential pick to serve as Deputy Treasury
10 Secretary.

11 As I said in my opening statement at Dr.
12 Faulkender's hearing, the Finance Committee has an
13 arduous nomination process. And once the nominee
14 completes all these steps, he or she deserves a public
15 hearing followed by a vote. Dr. Faulkender sat for
16 hours of questions from members and staff of the
17 committee and provided thoughtful answers.

18 He also responded judiciously to further questions
19 in writing. My colleagues received responses to their
20 inquiries on the Department of Government Efficiency-
21 related work at the Treasury and the IRS, and if
22 confirmed, Dr. Faulkender pledges to provide a briefing
23 on the Treasury payment system.

24 I thank Dr. Faulkender for his commitment and for
25 his time working through this rigorous process.

1 Qualified nominees for this position in prior congresses
2 garnered bipartisan support. I encourage my colleagues
3 on both sides of the aisles to join me today in voting
4 in favor of Dr. Faulkender's nomination.

5 I now recognize Ranking Member Wyden for his
6 remarks.

1 OPENING STATEMENT OF HON. RON WYDEN, A U.S. SENATOR FROM
2 OREGON
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4 Senator Wyden. Thank you very much, Mr. Chairman.
5 It's very clear in my mind that Donald Trump and Elon
6 Musk our intent on violating taxpayer privacy laws and
7 weaponizing the IRS against American taxpayers. Look at
8 what happened yesterday. They forced out the
9 nonpartisan officials in the only two Senate-confirmed
10 positions at the IRS, Commissioner and Chief Counsel,
11 yesterday.

12 They installed a person as Chief Counsel who
13 appears willing to help them break laws that were
14 designed specifically to prevent somebody like Donald
15 Trump from committing this very abuse of power.

16 In my view, this is going to end with Donald Trump
17 and Elon Musk driving innocent taxpayers to misery. And
18 that's setting aside the hardship that's going to be
19 inflicted on taxpayers by decimating taxpayer service
20 and the debt spiral they're risking by destroying tax
21 enforcement among corporations and the very wealthy.

22 Now, with respect to my opposition to the
23 Faulkender nomination, he's somebody who's a veteran of
24 the first Trump administration, who's been working in
25 the Treasury building since January 21st. Yet he did a

1 whole lot of dodging and weaving when it came to the
2 damage Donald Trump and Elon Musk are doing. He dodged
3 questions here on the DOGE infiltration of the Treasury
4 Department.

5 Despite the Treasury's admission that DOGE showed
6 up with the intent to illegally impound funds
7 appropriated by Congress, he dodged questions about
8 rumored plans to slash the IRS workforce and gut
9 billionaire tax enforcement. That's despite the fact
10 that he's already serving unofficially in a role that
11 directly oversees the IRS.

12 I asked him, for example, whether the President
13 has the authority to impound funds -- a clear violation
14 of Congress's Article 1 authority over federal spending.
15 His answer was, and I quote, "I do not know the legal
16 authority of the President when it comes to
17 impoundment."

18 But during a television interview last year, he
19 said he supported impoundment and talked about how the
20 President should use it to trample over congressional
21 appropriations and our constitutional authority. So, he
22 didn't give many forthcoming answers.

23 That means he spent his hearing basically covering
24 up for nearly 2 months of reckless and
25 anti-constitutional behavior from the Trump

1 administration. But it wasn't all ducking and dodging
2 by Dr. Faulkender. Even though the Treasury Department
3 has no role in overseeing important programs like health
4 care, Dr. Faulkender went out of his way to defend the
5 Republican plan to slash Medicaid and kicked tens of
6 millions of Americans off their health care.

7 For example, in response to strong questioning
8 from Senator Warnock who asked, and I quote, "Do you
9 think that it's a good idea to take families off of
10 Medicaid?", Dr. Faulkender answered with the same old
11 Republican spin about self-sufficiency and getting off
12 of government dependency.

13 I can't imagine that he would say that to senior
14 citizens. Colleagues, Medicaid covers 38 million kids
15 in America, including half of all kids with special
16 health needs. It pays for half of all nursing home
17 beds. It's an essential source of health coverage for
18 people with disabilities and a lifeline for rural
19 hospitals and doctors.

20 The Republican lingo we heard from Dr. Faulkender
21 simply papers over the fact that if Republicans follow
22 through with gutting Medicaid, rural communities will
23 become health-care deserts and a lot of children,
24 seniors, and those with disabilities are going to be
25 driven into misery. Many of them, in my view, are

1 likely to die as a result.

2 The reality is, if he's confirmed, Dr. Faulkender
3 is going to be right in the middle of that agenda.
4 It'll be about paying more for handouts to billionaires
5 and multinational corporations. I cannot support a
6 nominee who has already dirtied his hands on that very
7 work. So I oppose this nomination. I urge my
8 colleagues to do the same. Thank you, Mr. Chairman.

9 The Chairman. Thank you, Senator Wyden.

10 And now you -- traditionally at this point we
11 would move to the vote. However, I understand that a
12 number of my colleagues want to make remarks, and we
13 will do so. We'll give 3 minutes to each Senator. I
14 ask you, please to stay within the time frame because we
15 do need to move to the Dr. Oz hearing, which will
16 immediately follow these remarks.

17 And I'm going to go through in order of
18 appearance, and also as well -- anyway, with the order
19 that the Clerk has given me. And, Senator Tillis,
20 you're the first on that list. Do you wish to make
21 remarks at this time?

22 Senator Tillis. Not at this time.

23 The Chairman. All right. Thank you.

24 Then next is Senator Cantwell.

1 OPENING STATEMENT OF HON. MARIA CANTWELL, A U.S. SENATOR
2 FROM WASHINGTON
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4 Senator Cantwell. Thank you, Mr. Chairman. I
5 don't know if I can do this in 3 minutes. But I can
6 tell you this, that it's 52 days now of the Trump
7 administration that was promised to bring lower costs
8 and deal with inflation. And we have seen no solutions
9 even presented, put on the table, that would help us
10 understand what this administration is going to do to
11 lower costs.

12 Dr. Faulkender and the Department of Treasury
13 could have come before this committee and told us what
14 they are going to do on more affordable housing, one of
15 the stickiest parts of inflation. And yet we've heard
16 nothing from the administration on what they're going to
17 do to lower costs.

18 They could have come to this committee and said
19 they supported the PBM efforts to lower drug costs, and
20 we still have not heard anything about their desire to
21 lower drug costs. And on the cost of food, we know
22 this: they are proposing tariffs that are raising the
23 cost on average Americans for what we are going to have
24 to pay at the grocery store.

25 The chaotic tariffs that this administration is

1 pushing is not the trade agenda approved by this
2 Congress, nor is it an agenda that is ever proved
3 successful in the history of the United States. And
4 yet, that is the preposterous trail that we are now on.

5 So Dr. Faulkender, as part of the first Trump
6 administration, where was he when the retaliatory
7 tariffs hit farmers? He saw markets disappear right
8 under our nose, and yet he still believes in this
9 tariff-first approach.

10 Mr. Chairman, I hope that our committee will do
11 much more in reigning in what is Article 1
12 responsibilities of this Congress to make sure that the
13 issues of tariffs are covered and that we have the
14 responsibility to do so. So, until Dr. Faulkender and
15 the Treasury Department recognize the terrible damage
16 that tariffs are doing, I'm a "no" on his nomination.

17 The Chairman. Thank you.

18 And next is Senator Whitehouse.

1 OPENING STATEMENT OF HON. SHELDON WHITEHOUSE, A U.S.
2 SENATOR FROM RHODE ISLAND
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4 Senator Whitehouse. Thank you very much, Mr.
5 Chairman. EPA administrator Lee Zeldin recently made
6 perhaps the most idiotic and dangerous statement ever
7 made by an EPA administrator, saying that concerns about
8 climate change amounted to climate change religion.

9 I believe every single one of the states of my
10 Republican colleagues has a state university that
11 actually doesn't just believe in climate science, but
12 teaches climate science. And the idea that we're now at
13 a place where that lie is being propagated from the top
14 of the EPA is really appalling.

15 Why do I raise that here? I raise that here
16 because we are on the edge of an insurance crisis that
17 is already manifest in Florida, where unpredictable
18 climate risk makes insurance unavailable to homeowners,
19 which makes mortgages unavailable to homeowners, which
20 crashes property values. And according to the Chief
21 Economist for Freddie Mac, that cascades out into the
22 economy in a 2008-style recession, and he said that just
23 about the coastal risk.

24 We now have wildfire risk as the evil sibling
25 standing up. Until we have people who are willing to

1 recognize this risk, then I'm going to be "no" votes on
2 people who have responsibility here for our economy.
3 What is particularly evil is, behind all this is a long
4 and powerful and semi-covert scheme by the fossil fuel
5 industry to exert improper political influence in
6 Congress, spend dark money, and mislead the American
7 public.

8 Second, Elon Musk's muskrats are getting into data
9 wherever they can. Good career people are being fired
10 when they try to protect data systems. Data is money
11 for the big tech bros who are backing Trump. This is
12 very likely their payback to get access to Americans'
13 private information.

14 We've got to do a better job of defending the data
15 systems from these muskrat envoys of the tech bro
16 empire.

17 And last, the Corporate Transparency Act, a law
18 enforcement and national security measure supported by
19 President Trump and his administration in the first
20 Trump administration, has now been undone by Treasury.

21 And I'd like to offer three documents and ask
22 unanimous consent that they be put into the record. One
23 is my statement for the record with respect to this, the
24 other is a letter to Treasury Secretary Scott Bessent
25 dated March 10th about this matter, and the third is a

1 cursory response that we got the following day from the
2 Office of Legislative Affairs at Treasury.

3 May I offer them for record?

4 The Chairman. Without objection.

5 [The submitted materials appear at the end of the
6 transcript.]

7 Senator Whitehouse. Thank you.

8 The Chairman. Next is Senator Hassan.

1 OPENING STATEMENT OF HON. MAGGIE HASSAN, A U.S. SENATOR
2 FROM NEW HAMPSHIRE
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4 Senator Hassan. Well, thank you, Mr. Chair and
5 Ranking Member, for this markup and making it possible
6 that members can voice their significant concerns about
7 how Elon Musk's actions at the Treasury Department are
8 harming families across the country.

9 I will echo the comments of the Senator from
10 Washington. We have been waiting for the Trump
11 administration to actually do the work to lower costs
12 and make life more affordable for Americans. And of
13 course, they are not. They are ruining the economy, and
14 they are creating chaos and corruption everywhere they
15 go.

16 For my entire time in public service, I've worked
17 on many bipartisan efforts to cut waste, fraud, and
18 abuse across state government and federal government.
19 And I strongly support efforts to make government more
20 efficient. But Elon Musk's actions serve only to help
21 him gain power, increase his personal wealth, and sew
22 chaos at the expense of American families.

23 In his first week in office, President Trump fired
24 18 independent watchdogs whose whole jobs are to stop
25 waste, fraud, and abuse, including the firing of the

1 independent watchdog at the Treasury Department.

2 With the independent Treasury watchdog gone, Elon
3 Musk moved immediately to install his own loyalists at
4 the Treasury Department and to give them unlimited
5 access to Americans' personal financial information, as
6 well as the power to block any payment by the federal
7 government to a community nonprofit or a small business
8 that Elon Musk dislikes.

9 Fortunately, some of Mr. Musk's illegal attempts
10 have been blocked by federal courts for now, but as we
11 have just heard from our ranking member, the violations
12 of law at Treasury continue, and the harm to the
13 American people grows. I understand the value that a
14 respected outsider with significant private-sector
15 experience could bring to government operations, but
16 that's not who Elon Musk installed at Treasury to sift
17 through Americans' private personal information.

18 The DOGE staffer who was given official access to
19 sensitive personal information and IRS systems is a Musk
20 loyalist who previously worked for SpaceX and Twitter.
21 Following the President's attempt in February to
22 unilaterally take away all federal grants through an
23 indefinite funding freeze, I believe that all members of
24 this committee should be significantly concerned about
25 what Elon Musk will take away from our communities as he

1 regains access to the Treasury payment system.

2 Now, one last comment about the nominee. Dr.
3 Faulkender, to his credit -- and I can't believe that I
4 have to say this in a committee in the United States
5 Senate -- to his credit, he stated that he would follow
6 the law rather than an illegal directive from the
7 President. And that is the exception among nominees
8 right now to this administration.

9 That I have to ask that question now of every
10 nominee is an outrage, and every member of this
11 committee should be outraged by it. But despite the
12 fact that Dr. Faulkender at least showed the character
13 to say he'd followed the law -- again, it should be a
14 prerequisite for any nominee -- given Elon Musk's power
15 grab at the expense of American families, I have to
16 oppose Dr. Faulkender's nomination today.

17 Thank you.

18 The Chairman. Thank you, Senator Hassan.

19 Now on my list, the order is Senator Welch,
20 Senator Warnock, and then Senator Warren.

1 OPENING STATEMENT OF HON. PETER WELCH, A U.S. SENATOR
2 FROM VERMONT
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4 Senator Welch. Thank you, Mr. Chairman. You
5 know, Dr. Faulkender has significant qualifications, but
6 there is a reality that we're trying to deny but is
7 inescapable. We have a cabinet of one. His name is
8 Elon Musk. We have cabinet officials who come before us
9 with distinguished records, and probably everything in
10 their bones wants them to serve well, but they are under
11 the thumb of a President who demands fealty as opposed
12 to service to this country.

13 The best example of that is what's happened with
14 this so-called continuing resolution. Congress is
15 abdicating its Article 1 authority. The so-called CR is
16 not on the level. What this CR does is not maintain
17 current spending on the numbers and on the directions of
18 how it will be spent. What it does is make significant
19 cuts, but more importantly, it delegates to the
20 President of the United States flexibility to move money
21 around as he sees fit. That is a total surrender of our
22 responsibility. It's a disgrace.

23 Now, on these tariffs that my colleagues spoke
24 about, they're a disaster for Vermont. They make no
25 sense. Any economist you talk to says they're bizarre,

1 bizarre because of the way they're being implemented on
2 again, off again, and that's causing real suffering to
3 Vermont farmers, to Vermont families, to Vermont
4 homeowners who are going to be paying higher electricity
5 bills, higher home heating bills, higher gasoline
6 prices. And for what? For the whim of a President.
7 And every single one of these cabinet officers who comes
8 in here takes the pledge: "Mr. President, I know it
9 makes no sense, but you're the President, and I adore
10 you, Mr. President. We'll do it."

11 And in the CR that we're going to be voting on,
12 there is a provision that says the United States
13 Congress, in whom the responsibility and authority for
14 imposing tariffs rests, cannot change the tariffs that
15 President Trump is imposing. That is so disgraceful.
16 It's a total surrender of our responsibility.

17 We have these punitive tariffs that make no sense,
18 that are hurting everyone that we represent. And we
19 pass a law saying that we have to close our eyes, block
20 our ears, and not do anything.

21 I vote "no." This charade has to end.

22 The Chairman. Thank you, Senator Welch.

23 Senator Warnock?

1 OPENING STATEMENT OF HON. RAPHAEL G. WARNOCK, A U.S.
2 SENATOR FROM GEORGIA

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4 Senator Warnock. Thank you, Brother Chairman.

5 A week like this in Washington reminds me of why I
6 return every week to my pulpit, spending time with
7 people in my church and all across my community. They
8 are the folks who keep me grounded. These are the folks
9 who are seeing their paychecks buy less and less while
10 the rich get richer and the poor get poorer. These are
11 ordinary people.

12 I'm thinking about them when I consider whether
13 Congress should spend trillions of dollars on a huge tax
14 cut that overwhelmingly benefits millionaires and
15 billionaires -- while the entire half of working
16 families pick up the tab through cuts to their health
17 care -- and in addition to that, blows a 4-1/2-trillion-
18 dollar hole in the debt.

19 I am disappointed that Dr. Faulkender does not
20 seem to understand or care about the concerns and the
21 experiences of hardworking Georgia families, the people
22 I know. When we talked about Washington Republicans'
23 plans to cut Medicaid, and I asked the nominee his
24 thoughts, he suggested that people just need to, quote,
25 "be self-sufficient and just get better jobs with better

1 benefits."

2 Now, I was raised by a dad who poured into me a
3 serious work ethic. So I believe in self-sufficiency,
4 but almost all of the adults on Medicaid are either
5 working or in school or they are caregivers. By and
6 large, if they can work, they do work. These folks have
7 jobs and responsibilities. They are construction
8 workers, they're restaurant servers, they're home
9 caregivers, and farm hands. They're doing exactly what
10 this nominee wants them to do, but he and Washington
11 Republicans want to kick them off of Medicaid anyway.

12 Who else does this nominee think should be
13 self-sufficient? I wonder if he thinks Elon Musk should
14 be self-sufficient. He's received \$38 billion in
15 government contracts, government loans, government
16 subsidies, and tax credits. Who does he think should be
17 self-sufficient? Should children be self-sufficient;
18 seniors in nursing homes, veterans -- one in 10 veterans
19 are enrolled in Medicaid -- people with mental illness
20 or substance abuse? Who is he talking about?

21 And so, let's be very clear. If folks want to
22 have a serious bipartisan conversation about reducing
23 our debt, I am all in on that conversation. I'm deeply
24 worried about the debt that we're going to leave our
25 children and our grandchildren, as the father of two

1 young children myself. You want to have a conversation
2 about that? I'm ready. You want to have a conversation
3 about lowering health-care costs? I am ready to do it
4 in a bipartisan way, but I am unwilling to give a
5 massive handout to the wealthiest people in our country
6 while blowing a huge hole in the debt.

7 And because of that and other reasons, this
8 nominee does not share that commitment. I will vote
9 "no" on his nomination, and I urge my colleagues to do
10 the same.

11 The Chairman. Thank you, Senator Warnock.

12 Senator Warren, and she will be followed by
13 Senator Luján.

1 OPENING STATEMENT OF HON. ELIZABETH WARREN, A U.S.
2 SENATOR FROM MASSACHUSETTS
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4 Senator Warren. Thank you, Mr. Chairman.

5 Mr. Chairman, I will be voting "no" on Dr.
6 Faulkender's nomination as Deputy Treasury Secretary. I
7 can't support a nominee who wants to support Trump's
8 plan to slash taxes for millionaires, billionaires, and
9 giant corporations. I cannot support a nominee who's
10 okay with Musk's takeover of the IRS, and I cannot
11 support a nominee who is willing to gut Medicaid and
12 take money away from old people in nursing homes in
13 order to give the wealthy more tax cuts.

14 But I will give Dr. Faulkender some credit.
15 Despite his strong support for Donald Trump's
16 billionaire tax cuts, he admitted to me last week at our
17 hearing that Republicans' plan to use magic math to ram
18 through those tax cuts makes no sense. Republicans have
19 a problem on their hand. They love to talk about how
20 they care about the deficit. But Congress's independent
21 scorekeepers have said their plan to cut taxes for the
22 ultra-wealthy will cost about \$4.6 trillion.

23 So the Republicans response? Magic math. They
24 want to use a gimmick called current policy baseline to
25 say that these tax cuts for the rich will cost a

1 whopping zero. So I asked Dr. Faulkender last week,
2 "Does using some magic words to describe Republican tax
3 cuts mean that those tax cuts will deliver more revenue
4 for the government?" And to his credit, he said, "Nope,
5 it does not."

6 Here's the thing. When Republicans' own nominee
7 to be the number two guy at the Treasury Department is
8 admitting that the math for the Republican tax plan
9 doesn't work, then the Republicans have a problem. But
10 admitting that Republicans can't repeal math does not
11 make this guy qualified to run the Treasury Department.

12 Dr. Faulkender has said over and over again he's
13 all on board with Donald Trump and Elon Musk's plans.
14 And what are those plans? They are hell-bent on cutting
15 Medicare, Medicaid, and Social Security, either to pay
16 for those giant tax cuts or, I guess, just for the
17 cruelty of it all.

18 I can't support a nominee who's willing to sell
19 out working families for billionaires, millionaires, and
20 billionaire corporations. I urge my colleagues to vote
21 "no" on Dr. Faulkender.

22 The Chairman. Thank you, Senator Warren.

23 Senator Luján?

1 OPENING STATEMENT OF HON. BEN RAY LUJÁN, A U.S. SENATOR
2 FROM NEW MEXICO

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4 Senator Luján. Mr. Chairman, thank you.

5 Now, Mr. Chairman, here we go again. You know,
6 some folks are familiar with Groundhog Day, and they're
7 even familiar with the film. And what Republicans are
8 trying to pull is another fast one.

9 Last time a few years back, what my Republican
10 colleagues told the American people was that the 2017
11 Trump tax policy -- that constituents told me was a tax
12 scam -- that it was paid for would, not add to the debt,
13 contribute to the deficit. Well, the facts are clear:
14 the truth is, it wasn't.

15 Folks back home tell me they want people to keep
16 their word and just be honest with them. Just tell them
17 like it is, because they'll be able to make adjustments
18 as long as they get the truth. Well, they're not
19 getting it again.

20 Now my Republican colleagues are pushing for Trump
21 Tax Scam 2.0, using a budget trick to say that they're
22 not going to blow up the national debt. This comes from
23 colleagues who share, when they're on the campaign trail
24 or when they're on news outlets or visiting with
25 bloggers, that they want to get the fiscal house in

1 order in America. They want to lower the debt; they
2 want to do something about the deficit so that it's not
3 left to future generations.

4 Well, it turns out that all my colleagues have to
5 say is, "Everything that we've done in the past doesn't
6 cost anything. Don't worry. Cost is zero right now."
7 And their accounting trick is, they're just going to go
8 forward and say, "Well, whatever we're going to do going
9 forward, that's how we're going to pay for it."

10 Last week when Dr. Faulkender was before the
11 committee, I asked him a question if he paid rent or
12 not. And he did. And I use this analogy to say, if
13 you're paying rent and it costs you \$2,000 a month and
14 the landlord asks you to pay \$50 more a month going
15 forward, how much is that rent going to cost you? To
16 his credit, he told me it would be the cost of the
17 \$2,000 plus \$50, not just \$50. I know that's
18 oversimplifying things, but sometimes we should do that
19 so that we can all understand what's in front of us.

20 Now, it's deeply concerning that the Trump
21 administration and congressional Republicans are taking
22 the same gimmick and running with it. The wealthiest
23 Americans in this country are at home, some of them
24 wondering what they're going to get with this new
25 giveaway. I applaud people to do well. I hope more and

1 more people across the country do well and are able to
2 secure wealth. But constituents at home don't
3 understand why if you're making \$10 million a year, \$100
4 million a year, \$500 million a year, even a billion
5 dollars a year, how a tax cut's going to help them when
6 they should be the ones getting it when they may be even
7 making less than the median income.

8 Median income in America is 80 grand. It's not
9 that in New Mexico. This just doesn't seem right, and
10 it's not on the up and up. I'm very concerned how this
11 is rolling. I just plead with my colleagues, and I pray
12 for all of us, and I pray for them that, you know,
13 people, just be honest. Tell the American people like
14 it is, and we'll do better. But things are not on the
15 up and up, and people know it back home.

16 I yield back.

17 The Chairman. Thank you very much, Senator Luján.

18 My understanding is that none of the other
19 Senators in the room are seeking recognition to speak
20 except Senator Tillis. Did you want to? Senator
21 Tillis.

1 OPENING STATEMENT OF HON. THOM TILLIS, A U.S. SENATOR
2 FROM NORTH CAROLINA
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4 Senator Tillis. While we're on the subject of
5 being honest, we should be honest about what happens if
6 the Tax Cuts and Jobs Act does not get extended.
7 Everybody's thinking, everybody's saying that this is
8 tax cuts for the ultra-rich, but all I want to say is
9 that 62 percent of people who file taxes every year will
10 get a tax increase. If you're a family making \$80,000 a
11 year and you've got a couple of kids, you've got to pay
12 about \$1,700 more a year. That's a tax increase on
13 hardworking families.

14 I could go down the list, but my colleagues on the
15 other side of the aisle need to understand that
16 advocating against what we're trying to do to extend the
17 Tax Cuts and Jobs Act is a request to put a burden on
18 struggling families. And 62 percent of Americans have
19 filed taxes. Mr. Chair, I think that needs to be said.

20 Thank you.

21 The Chairman. Thank you. And I'll just follow up
22 on that, and then we will recess and I'll explain what
23 will follow that. But it's been -- the one thing I want
24 to say a response to is the multiple claims that we are
25 considering a tax cut for billionaires.

1 The reality is, as Senator Tillis has just said,
2 we're not talking about a tax cut. We are talking about
3 stopping a tax increase. And that tax increase falls
4 overwhelmingly on people who make less than \$400,000 a
5 year -- in fact, overwhelmingly on middle-class
6 families.

7 It's a \$2.6-trillion tax increase that we are
8 stopping on people making less than \$400,000. And I
9 think the record needs to be made clear about that and
10 in the face of these allegations that there are big tax
11 cuts coming for billionaires.

12 With that, we are done with the speaking with
13 regard to the Faulkender nomination. We will go into
14 recess on the markup for his nomination until we can
15 convene on the floor, and that would be at our first
16 vote at 1:15. So, the committee is instructed that we
17 will resume this markup.

18 Senator Wyden. Mr. Chairman -- excuse me. Please
19 finish.

20 The Chairman. We'll resume this markup at 1:15
21 off the floor for the vote on Dr. Faulkender.

22 Senator Wyden. Mr. Chairman, I would just ask
23 unanimous consent to put into the record at this point
24 that 50 percent of the tax cut goes to 5 percent of the
25 people. That's what the tax system is all about.

1 That's why we think it's wildly unfair. I'm going to
2 put it into the record. Thank you.

3 [The submission appears at the end of the
4 transcript.]

5 The Chairman. You can certainly put that into the
6 record, but I'm going to dispute your numbers.

7 With that, the markup with regard to Dr.
8 Faulkender is in recess until 1:15 off the floor. And
9 we'll take a 5-minute break right now while we get set
10 up for the hearing on Dr. Oz.

11 [Whereupon, at 10:37 a.m., the meeting was
12 recessed.]

13
14 The open executive session was reconvened,
15 pursuant to notice, on Friday, March 14, 2025, at 1:15
16 p.m., in Room S-216, The President's Room, U.S. Capitol,
17 Hon. Mike Crapo (chairman of the committee) presiding.

18 The Chairman. The committee will come to order.
19 We now have a quorum. I move that we favorably report
20 the nomination of Michael Faulkender.

21 Senator Grassley. Seconded.

22 The Chairman. The Clerk will call the roll.

23 The Clerk. Mr. Grassley?

24 Senator Grassley. Aye.

25 The Clerk. Mr. Cornyn?

1 Senator Cornyn. Aye.
2 The Clerk. Mr. Thune?
3 Senator Thune. Aye.
4 The Clerk. Mr. Scott?
5 Senator Scott. Aye.
6 The Clerk. Mr. Cassidy?
7 Senator Cassidy. Aye.
8 The Clerk. Mr. Lankford?
9 Senator Lankford. Aye.
10 The Clerk. Mr. Daines?
11 Senator Daines. Aye.
12 The Clerk. Mr. Young?
13 Senator Young. Aye.
14 The Clerk. Mr. Barrasso?
15 Senator Barrasso. Aye.
16 The Clerk. Mr. Johnson?
17 Senator Johnson. Aye.
18 The Clerk. Mr. Tillis?
19 Senator Tillis. Aye.
20 The Clerk. Mrs. Blackburn?
21 Senator Blackburn. Aye.
22 The Clerk. Mr. Marshall?
23 Senator Marshall. Aye.
24 The Clerk. Mr. Wyden?
25 Senator Wyden. Nay.

1 The Clerk. Ms. Cantwell?
2 Senator Cantwell. Nay.
3 The Clerk. Mr. Bennet?
4 Senator Wyden. Nay by proxy.
5 The Clerk. Mr. Warner?
6 Senator Wyden. Nay by proxy.
7 The Clerk. Mr. Whitehouse?
8 Senator Whitehouse. Nay.
9 The Clerk. Ms. Hassan?
10 Senator Wyden. Nay by proxy.
11 The Clerk. Ms. Cortez Masto?
12 Senator Cortez Masto. Nay.
13 The Clerk. Ms. Warren?
14 Senator Wyden. Nay by proxy.
15 The Clerk. Mr. Sanders?
16 Senator Wyden. Nay by proxy.
17 The Clerk. Ms. Smith?
18 Senator Smith. Nay.
19 The Clerk. Mr. Luján?
20 Senator Luján. Nay.
21 The Clerk. Mr. Warnock?
22 Senator Warnock. Nay.
23 The Clerk. Mr. Welch?
24 Senator Welch. Nay.
25 The Clerk. Mr. Chairman?

1 The Chairman. Aye.

2 The clerk will announce the vote.

3 The Clerk. Mr. Chairman, the final tally is 14
4 ayes and 13 nays.

5 The Chairman. The "ayes" have it.

6 I thank my colleagues for their attendance. The
7 committee stands adjourned.

8 [Whereupon, at 1:57 p.m., the meeting was
9 adjourned.]

10

1	STATEMENT OF:	PAGE
2	Hon. Mike Crapo,	2
3	a U.S. Senator from Idaho,	
4	chairman, Committee of Finance	
5		
6	Hon. Ron Wyden,	5
7	a U.S. Senator from Oregon	
8		
9	Hon. Maria Cantwell,	9
10	a U.S. Senator from Washington	
11		
12	Hon. Sheldon Whitehouse,	11
13	a U.S. Senator from Rhode Island	
14		
15	Hon. Maggie Hassan,	14
16	a U.S. Senator from New Hampshire	
17		
18	Hon. Peter Welch,	17
19	a U.S. Senator from Vermont	
20		
21	Hon. Raphael G. Warnock,	19
22	a U.S. Senator from Georgia	
23		
24	Hon. Elizabeth Warren,	22
25	a U.S. Senator from Massachusetts	

1	Hon. Ben Ray Luján,	24
2	a U.S. Senator from New Mexico	
3		
4	Hon. Thom Tillis,	27
5	a U.S. Senator from North Carolina	

SUBMITTED BY SENATOR WHITEHOUSE



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C.

March 11, 2025

The Honorable Sheldon Whitehouse
United States Senate
Washington, DC 20510

Dear Senator Whitehouse:

Thank you for your March 10, 2025 letter regarding the March 2, 2025 Corporate Transparency Act Enforcement Announcement.

On March 2, 2025, Treasury announced that, with respect to the Corporate Transparency Act (CTA), it will not enforce any penalties or fines associated with the beneficial ownership information reporting rule under the existing regulatory deadlines. The President also remarked on Treasury's announcement in a post on Truth Social, noting, "Furthermore, Treasury is now finalizing an emergency regulation to formally suspend [the beneficial ownership information reporting rule] for American businesses."

Regarding the process required by the CTA to exclude an entity or class of entities from its reporting requirements, Treasury will be issuing a rulemaking that will narrow the scope of the rule. Treasury takes this step in the interest of supporting hard-working American taxpayers and small businesses and ensuring that the rule is appropriately tailored to advance the public interest.

FinCEN will consider comments to the forthcoming rulemaking with the objective of minimizing burden on small businesses while ensuring that beneficial ownership information (BOI) collected is highly useful to important national security, intelligence, and law enforcement activities.

Sincerely,

A handwritten signature in black ink that reads "Jonathan Blum".

Jonathan Blum
Principal Deputy Assistant Secretary
Office of Legislative Affairs

Identical letter sent to:
The Honorable Charles E. Grassley

United States Senate

WASHINGTON, DC 20510

March 10, 2025

The Honorable Scott Bessent
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Ave NW
Washington, DC 20220

RE: March 2, 2025 Corporate Transparency Act Enforcement Announcement

Dear Secretary Bessent,

We write regarding the Department of the Treasury's March 2, 2025 announcement that Treasury intends to suspend enforcement of the bipartisan Corporate Transparency Act ("CTA") for U.S. citizens and domestic reporting companies.¹ We wish to ensure that the terms of the CTA are followed and that its purpose is fulfilled.

The CTA,² part of the Anti-Money Laundering Act of 2020, was enacted into law as a piece of the National Defense Authorization Act for Fiscal Year 2021.³ The CTA is the product of a sensitive and painstaking legislative process, that included robust input and support from the first Trump Administration,⁴ and its passage represents perhaps the most important anti-money laundering reform in two decades.

"For years, experts routinely ranked anonymous shell companies—where the true, 'beneficial' owners are unknown—as the biggest weakness in our anti-money laundering safeguards."⁵ Drug cartels, terrorist groups, foreign adversaries, corrupt foreign officials, and many others who wish harm to Americans have used anonymous shell companies and opaque corporate structures to finance and facilitate their crimes.

The CTA directly tackled this problem by requiring Treasury's Financial Crimes Enforcement Network ("FinCEN") to create a national directory of beneficial owners of companies within the United States,⁶ bolstering our nation's efforts to combat "money laundering, the financing of

¹ U.S. DEPARTMENT OF THE TREASURY, *Treasury Department Announces Suspension of Enforcement of Corporate Transparency Act Against U.S. Citizens and Domestic Reporting Companies*, March 2, 2025, <https://home.treasury.gov/news/press-releases/sb0038>.

² William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, §§ 6401-6403, 134 Stat. 3388, 4604-4625.

³ §§ 6001-6511, 134 Stat. at 4547-4633.

⁴ See generally U.S. SENATE, COMMITTEE ON FINANCE, *Hearing on the President's Fiscal Year 2019 Budget*, February 14, 2018, <https://www.govinfo.gov/content/pkg/CHRG-115shrg35140/pdf/CHRG-115shrg35140.pdf>.

⁵ Ian Gary, Executive Director, FACT Coalition, *Landmark Bill Ending Anonymous U.S. Companies Is Enacted* (January 1, 2021), <https://thefactcoalition.org/landmark-bill-ending-anonymous-u-s-companies-is-enacted>.

⁶ § 6403, 134 Stat. at 4605-4625.

terrorism, proliferation finance, tax evasion, human and drug trafficking, sanctions evasion, and other financial crimes.”⁷

In enacting the CTA, Congress found that reporting of Beneficial Ownership Information (“BOI”) was necessary for law enforcement and national security purposes. In particular, Congress found:

- (1) more than 2,000,000 corporations and limited liability companies are being *formed under the laws of the States* [emphasis added] each year;
- (2) *most or all States* [emphasis added] do not require information about the beneficial owners of the corporations, limited liability companies, or other similar entities *formed under the laws of the State* [emphasis added];
- (3) malign actors seek to conceal their ownership of corporations, limited liability companies, or other similar entities *in the United States* [emphasis added] to facilitate illicit activity [...] harming the national security interests of the United States and allies of the United States;
- (4) money launderers and others involved in commercial activity intentionally conduct transactions through corporate structures in order to evade detection, and may layer such structures, much like Russian nesting ‘Matryoshka’ dolls, across various secretive jurisdictions such that each time an investigator obtains ownership records for *a domestic* [emphasis added] or foreign entity, the newly identified entity is yet another corporate entity, necessitating a repeat of the same process;
- (5) Federal legislation providing for the collection of beneficial ownership information for corporations, limited liability companies, or other similar entities *formed under the laws of the States* [emphasis added] is needed to—(A) set a clear, Federal standard for incorporation practices; (B) protect vital United States national security interests; (C) protect interstate and foreign commerce; (D) better enable critical national security, intelligence, and law enforcement efforts to counter money laundering, the financing of terrorism, and other illicit activity; and (E) bring the United States into compliance with international anti-money laundering and countering the financing of terrorism standards.⁸

In 2019, the Trump administration issued a Statement of Administration Policy (“SAP”) supporting a draft of the CTA. That SAP agreed with the importance of the goals of the CTA as well as a BOI rule:

This legislation would require corporations and limited liability companies in the United States to disclose their beneficial owners, a measure that will help prevent

⁷ H.R. REP. NO. 116-617, at 2139 (2020) (Conf. Rep.).

⁸ § 6402(1)-(5), 134 Stat. at 4604.

malign actors from leveraging anonymity to exploit these entities for criminal gain. It would also assist law enforcement in detecting and preventing illicit activity such as terrorist financing and money laundering.⁹

We acknowledge that the CTA creates a process by which the Secretary of the Treasury may exclude “an entity or a class of entities” from BOI reporting requirements so long as four conditions are met. First, the exclusion must take place through the regulatory process. Second, the exclusion must be with “the written concurrence of the Attorney General and the Secretary of Homeland Security” to account for law enforcement and national security interests. Third, the Secretary of the Treasury must determine that BOI reports of these entities “would not serve the public interest.” Fourth, the Secretary of the Treasury must determine that such reports “would not be highly useful in national security, intelligence, and law enforcement agency efforts to detect, prevent, or prosecute money laundering, the financing of terrorism, proliferation finance, serious tax fraud, or other crimes.”¹⁰

We request that you provide us the legal basis for the Treasury Department’s policy decision to categorically suspend enforcement of the CTA’s reporting requirements for all U.S. citizens and domestic reporting companies. In addition, we request that you provide us with information about how you intend to satisfy the policy goals of the CTA. As part of your response, please address the following questions:

1. Has the Treasury Department followed or initiated the process required by the CTA to exclude an entity or class of entities from its reporting requirements?
2. What steps has Treasury taken to ensure that any change in the practice or rulemaking governing BOI reporting fulfills the law enforcement and national security purposes of the CTA?

This is a matter of public and congressional accountability and ensuring that relevant policy interests underlying the CTA are satisfied. We encourage you to fully implement the CTA so that law enforcement agencies around the country have access to information necessary to prevent human trafficking, terrorist financing, border smuggling, drug distribution, and many other categories of criminal activity.

Please provide your response to our information request and questions no later than Wednesday, March 12, 2025.

Sincerely,

⁹ EXECUTIVE OFFICE OF THE PRESIDENT – OFFICE OF MANAGEMENT AND BUDGET, *Statement of Administration Policy: H.R. 2513 – Corporate Transparency Act of 2019, as amended by Manager’s Amendment*, October 22, 2019, https://trumpwhitehouse.archives.gov/wp-content/uploads/2019/10/SAP_HR-2513.pdf.

¹⁰ § 6403, 134 Stat. at 4610.


Sheldon Whitehouse
United States Senator


Charles E. Grassley
United States Senator

SUBMITTED BY SENATOR WYDEN

Table 2: Full Extension of Expiring Individual and Estate Provisions of TCJA Relative to TCJA Expiration (Scenario A)¹
(Evaluated at 2025 Population and Income Levels)

Adjusted Family Cash Income Decile ²	Number of Families (millions)	Distribution of Cash Income (%)	Distribution of Federal Taxpayers ³		Average Federal Tax Rate		Tax Change		Change in After-Tax Income (%)
			Full Extension of TCJA (%)	TCJA Expiration (%)	Full Extension of TCJA (%)	TCJA Expiration (%)	Amount (\$B)	Average (\$)	
0 to 10 ⁵	17.9	0.0	0.0	0.1	0.0	-0.1	-6	0.0	-75.9
10 to 20	18.9	2.0	-0.3	-0.4	-3.8	-4.6	-345	1.2	-26.0
20 to 30	18.9	2.9	0.5	0.4	-4.1	-7.9	-420	2.1	-26.3
30 to 40	18.9	3.9	1.6	1.3	8.8	7.8	-427	2.1	-10.5
40 to 50	18.9	5.0	2.8	2.8	11.3	10.4	-504	2.6	-7.7
50 to 60	18.9	6.5	3.9	3.9	13.3	12.3	-786	3.9	-7.9
60 to 70	18.9	8.4	6.1	6.1	16.0	14.7	-1,227	6.5	-8.0
70 to 80	18.9	10.9	8.3	9.3	18.7	-35.0	-1,861	9.2	-7.4
80 to 90	18.9	15.2	14.9	15.1	21.6	20.2	-2,658	12.9	-6.8
90 to 100	18.9	40.7	61.2	61.3	29.5	-227.5	-12,018	59.5	-7.5
Total ⁵	189.3	100.0	100.0	100.0	22.0	-382.1	-2,018	100.0	-7.7
90 to 95	9.5	11.1	12.3	12.5	24.6	-39.9	-4,220	10.5	-6.5
95 to 99	7.6	14.0	18.2	18.1	26.8	-73.4	-9,689	19.2	-8.1
99 to 99.9	1.7	9.0	14.6	14.7	32.4	-154.7	-32,118	14.3	-17.5
Top 1	0.2	9.0	16.0	16.1	39.1	-499.5	-314,266	15.6	-7.5

December 11, 2024

Department of the Treasury

Department of the Treasury

Office of Tax Analysis

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U.S. Department of the Treasury
Office of Tax Analysis
January 10, 2025

¹ Families with negative incomes are excluded from the lowest income decile but included in the total line.

² Tax cuts are shown as negative numbers and tax increases are shown as positive numbers in this column. The tax change is calculated relative to the absolute value of current law taxes. Low income families may have negative current law taxes as a result of refundable credits.

³ Tax cuts are shown as negative numbers and tax increases are shown as positive numbers in this column. The tax change is calculated relative to the absolute value of current law taxes. Low income families may have negative current law taxes as a result of refundable credits.

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SUBMITTED BY SENATOR WARREN

**Statement on Faulkender Markup
Senator Elizabeth Warren**

Mr. Chairman, I will be voting no on Dr. Faulkender's nomination as Deputy Treasury Secretary.

I cannot support a nominee who supports the Trump plan to slash taxes for millionaires, billionaires, and massive corporations.

I cannot support a nominee who has no concerns with Elon Musk's takeover of the Treasury Department and IRS.

And I cannot support a nominee who is ready to gut Medicaid to pile on more tax cuts for the ultra-wealthy.

But I will give Dr. Faulkender some credit. Despite his strong support for Donald Trump's billionaire tax cuts, he admitted to me in his hearing last week that Republicans' plans to use magic math to ram through those tax cuts make no sense.

Republicans have a problem on their hands. They love to talk about how much they care about the deficit. But Congress' independent scorekeepers have said that their plan to cut taxes for the ultra-wealthy will cost \$4.6 trillion.

Republicans' plan? Magic math. They want to use a gimmick called the "current policy baseline" to say that these tax cuts for the rich will cost a whopping \$0.

So I asked Dr. Faulkender last week: Does using some magic words to describe Republican tax cuts mean that those tax cuts will deliver more money for the government?

And to his credit, he admitted: Nope, it does not.

Here's the thing. When your own nominee to be the number 2 guy at the Treasury Department is admitting that the math for your tax plan doesn't work, you've got a problem.

But admitting that you can't repeal math doesn't make you qualified to run the Treasury Department.

Dr. Faulkender has said over and over again that he is all on board with Donald Trump and Elon Musk's plans. And what are those plans? They are hell-bent on cutting Medicare, and Medicaid, and Social Security – either to pay for these tax cuts, or – I guess – just for the cruelty of it all.

I can't support a nominee who's willing to sell out working families for billionaires, millionaires, and billionaire corporations.

I urge my colleagues to join me in voting no on Dr. Faulkender's nomination.