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2026 MIDTERM ELECTIONS

PRESENTERS

Peter Judge

Rochelle Hodes

September 23, 2026

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POLLING QUESTION #1

How familiar are you with the current legislative landscape?

A) Very familiar

B) Somewhat familiar, but I’d like to learn more

C) Not familiar at all, so looking forward to this program

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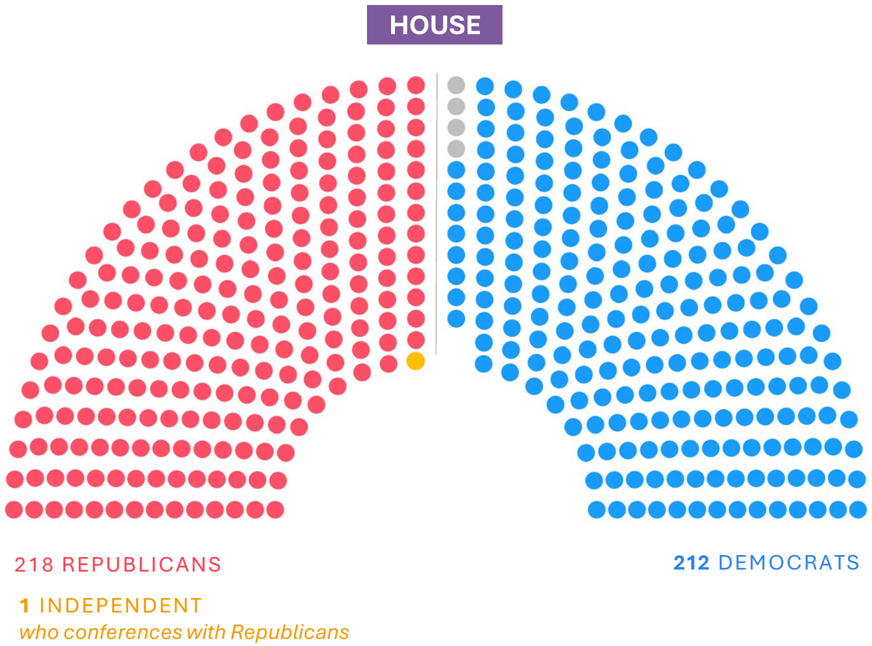
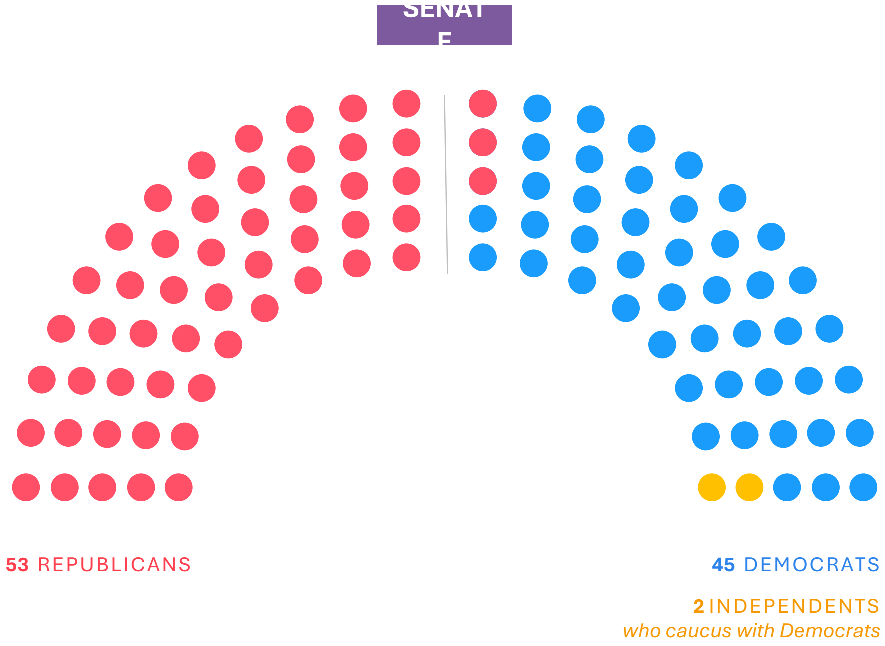
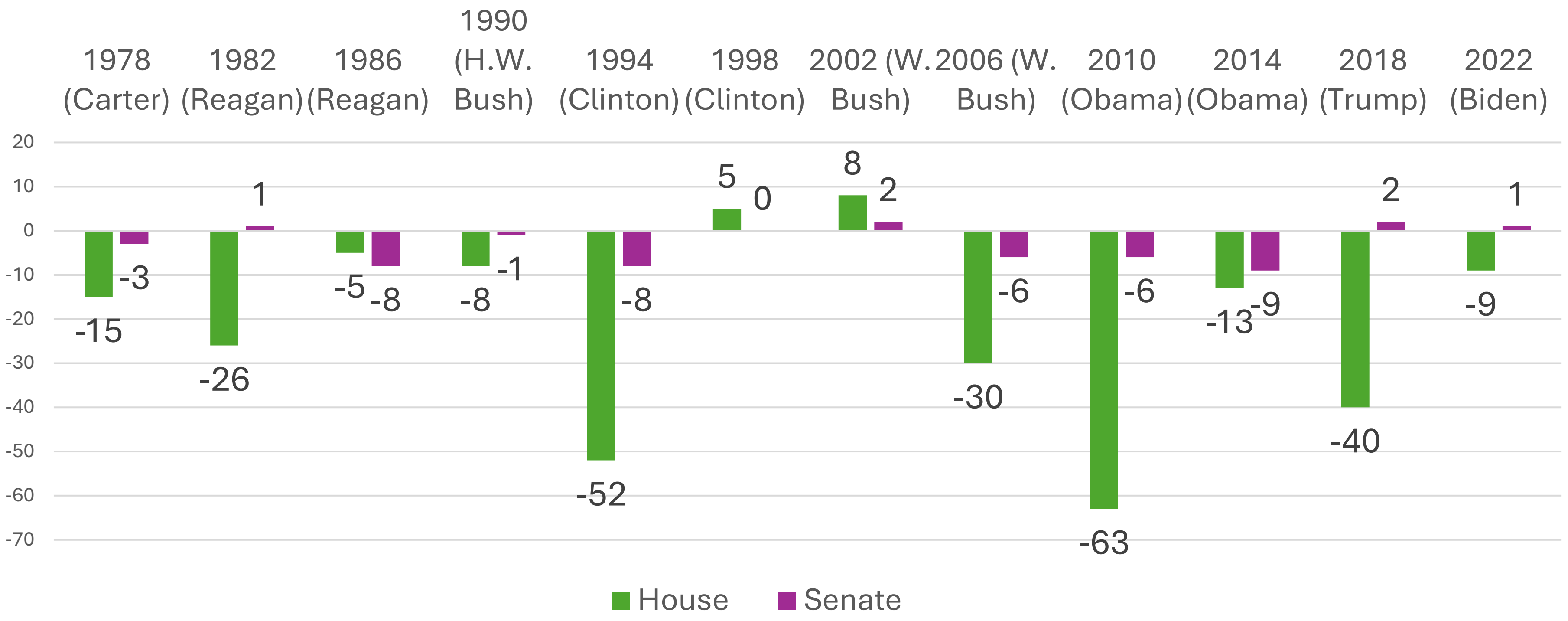
Republicans Defending Narrow Majorities





Bloomberg Government

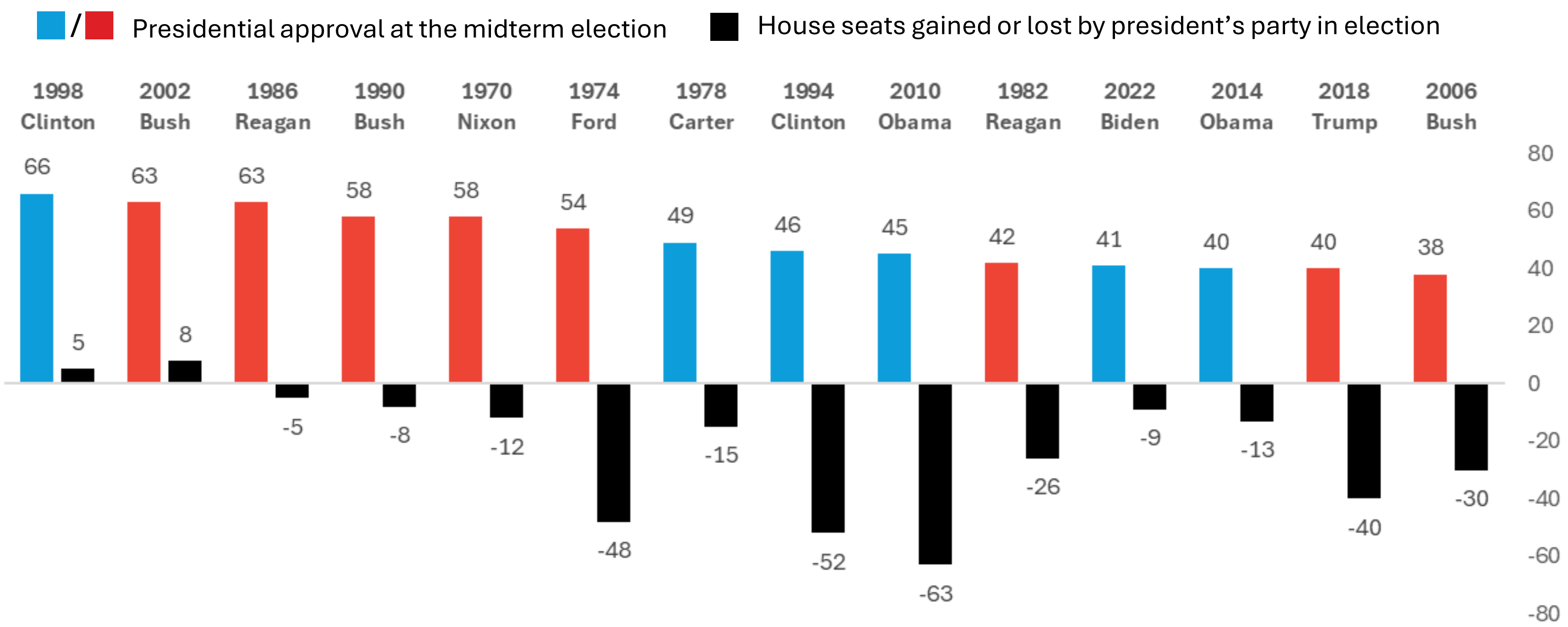
Recent Presidents Took Hits on Hill in Midterms



Sources: The American Presidency Project

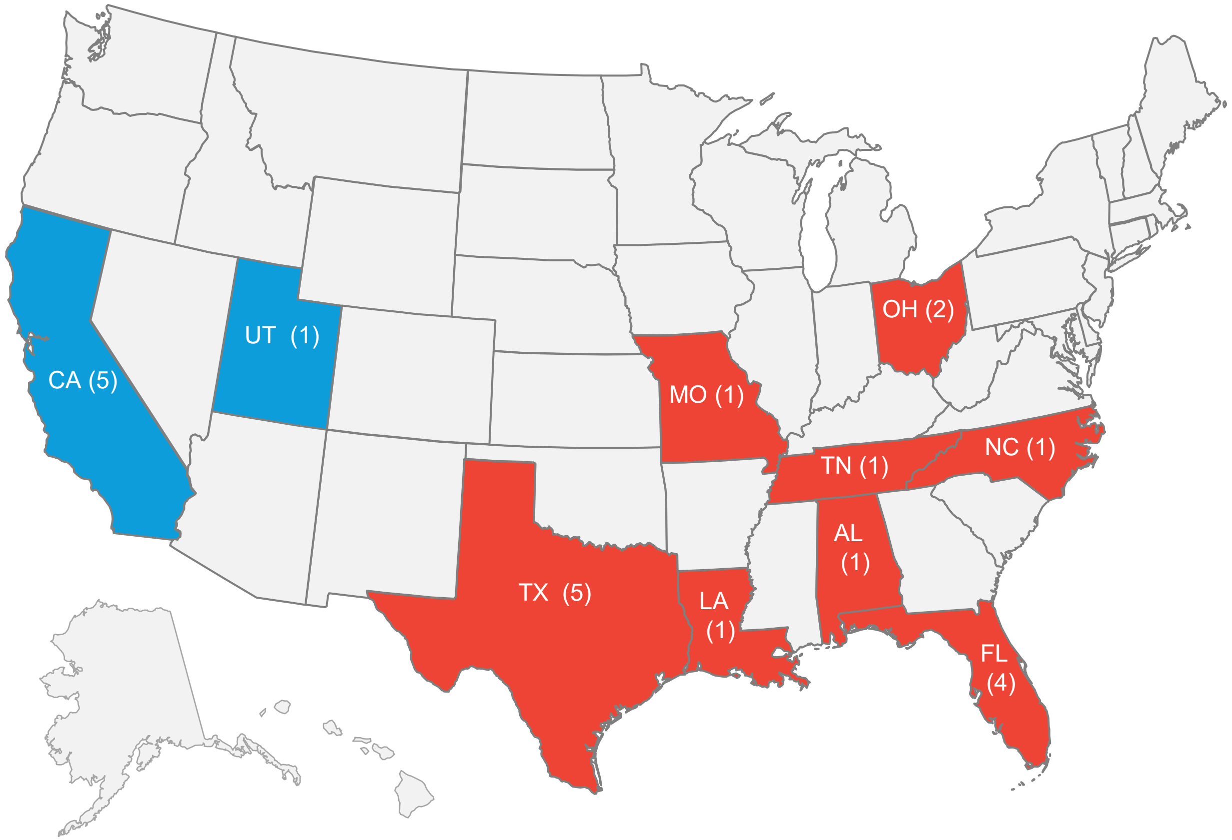
A President's Low Approval Rating Can Drag Down Party in Midterms

Donald Trump's approval rating was 39% in latest New York Times polling average



Sources: Gallup, the American Presidency Project

Redistricting Has Changed the Terrain
Changes favor Republicans in 16 Seats, Democrats in six



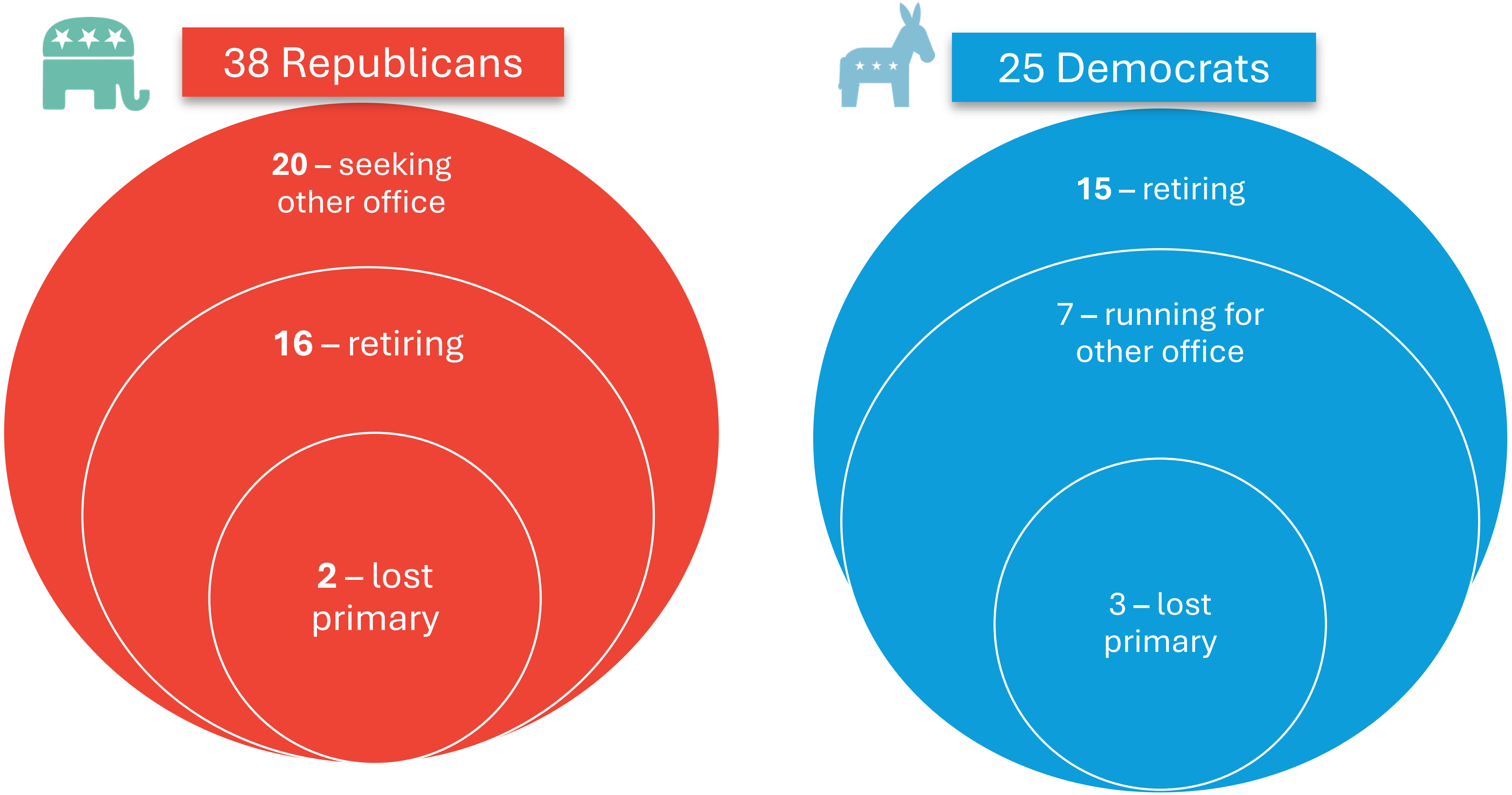
Possible Changes for 2028

New York: Democrats advanced constitutional amendment to allow mid-decade redistricting

Colorado: Proposed ballot measure would put more Democrat-favoring lines in place

Georgia: Republicans nixed 2028 redistricting in special session this summer but may revisit

House Departures by the Numbers



Toss-Ups in Districts Held by a Republican (16)

Arizona	California	Colorado	Iowa	Michigan	New Jersey
AZ-01 Open (incumbent **David Schweikert (R)** lost primary for governor) **AZ-06 Rep. Juan Ciscomani (R)** running for re-election	**CA-22 David Valadao (R)** running for re-election	**CO-08 Rep. Gabe Evans (R)** running for re-election	**IA-01 Rep. Mariannette Miller-Meeks (R)** running for re-election **IA-03 Zach Nunn (R)** running for re-election	**MI-07 Tom Barrett (R)** running for re-election **MI-10 Open** (incumbent **John James (R)** running for governor)	**NJ-07 Tom Kean (R)** running for re-election

New York	Ohio	Pennsylvania	Virginia	Wisconsin
NY-17 Mike Lawler (R) running for re-election	**OH-07 Max Miller (R)** running for re-election	**PA-07 Ryan Mackenzie (R)** **PA-08 Rob Bresnahan (R)** **PA-10 Scott Perry (R)** All running for re-election	**VA-02 Jen Kiggans (R)** running for re-election	**WI-03 Derrick Van Orden (R)** running for re-election

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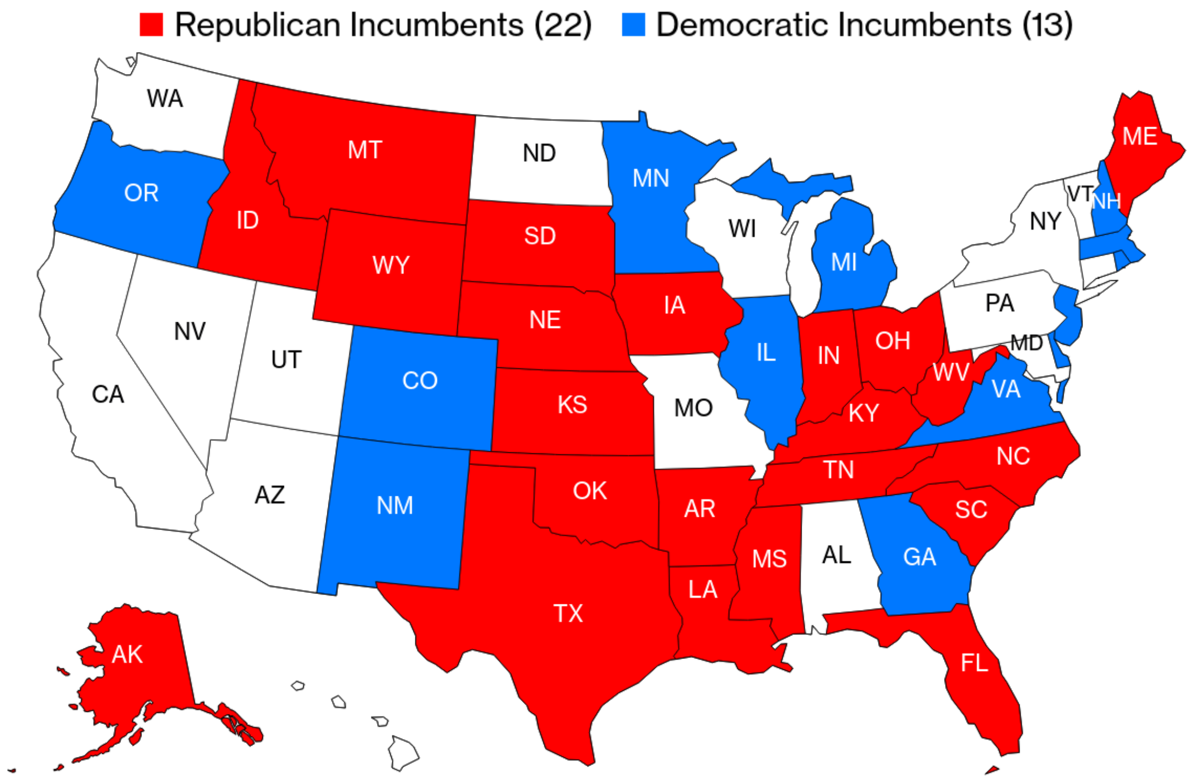
Toss-Ups in Districts Held by a Democrat (5)

Florida	Ohio	Texas	Washington
FL-14 Kathy Castor (D) running for re-election **FL-25** Jared Moskowitz (D) running for re-election	**OH-09** Marcy Kaptur (D) running for re-election	**TX-34** Vicente Gonzalez (D) running for re-election	**WA-03** Marie Gluesenkamp Perez (D) running for re-election

Senate Seats on the Map in 2026



Note: Florida and Ohio are holding special elections.

Presidential and Senate Elections Have Moved in Tandem

25 states voted for Trump in all three of his presidential elections

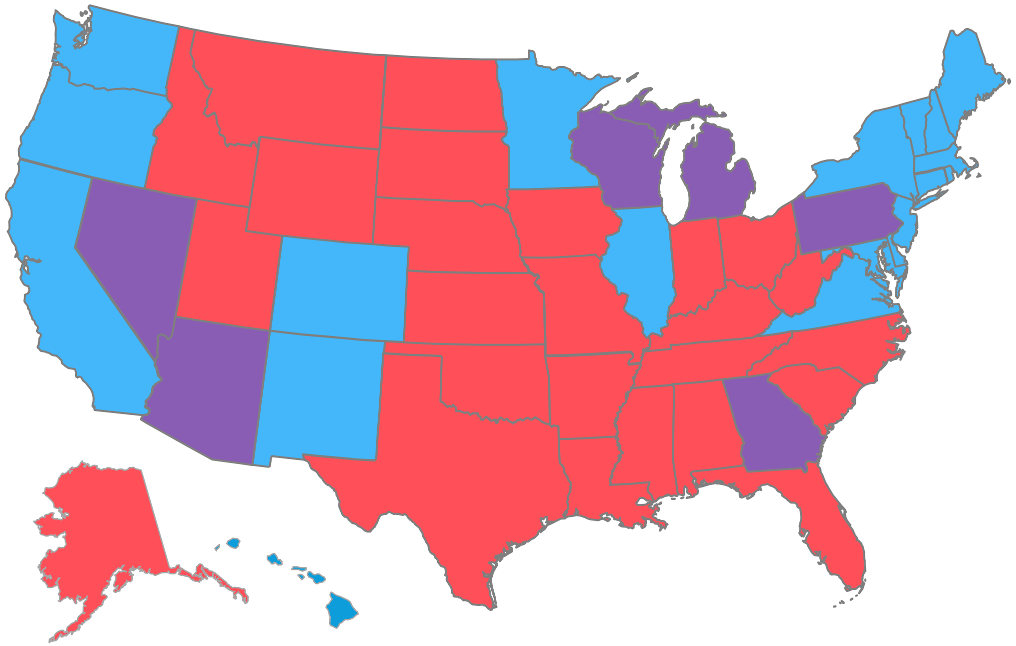
50 Senators: 50 R, 0 D

19 states voted against Trump in all three of his presidential elections

38 Senators: 35 D, 2 I, 1R

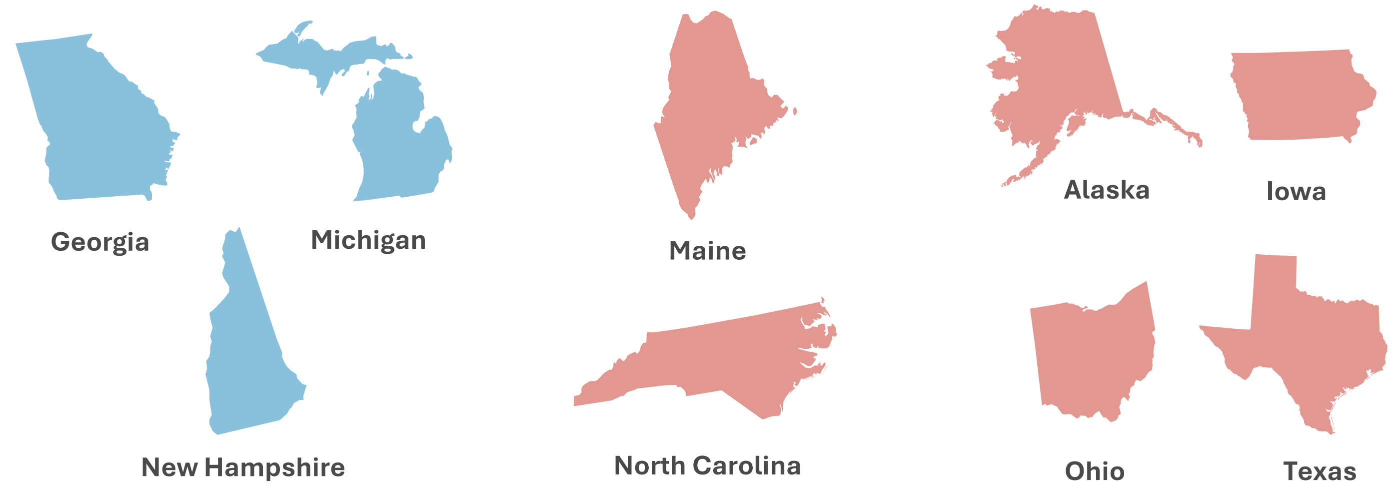
6 swing states split their results

12 Senators: 10 D, 2 R



Democrats Need Net Gain of Four Seats to Win Senate Control

Toughest Defenses → Must-Win States → Red-State Reaches



‘Horseshoe Policies’ to keep an eye on

- Interest Rate Caps
- **Public Retirement System**
- **Stock Buybacks and Dividends**
- **Union Policy**
- Non-competes
- **Social Security Taxes**
- Government Ownership of Companies
- Drug Price Controls
- Restrictions on Rx Advertising
- Food Labelling & Advertising Restrictions
- Targeted “Competition” Efforts

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Tax Legislative Outlook

- A large agenda of unfinished business, House has recessed until after the midterms and the Senate will recess soon.
- Much of that legislative agenda, including appropriations, will get pushed into the lame duck session after the midterms
- Prospects for tax legislation in this Congress remains unclear

Handicapping the Lame Duck

Republicans Keep Control of Both Chambers	Democrats Gain Control of One or More Chambers
• No urgency to act in a lame duck when you've got two more years	• Incentive for Republicans to get stuff done before they lose control
• Margins will likely remain slim	• Reconciliation 3.0 could be used for Republican-only legislation on Defense funding
• No reason to believe disfunction and paralysis in the Republican caucus won't continue	• Other priorities could be attached to an end of the year bill, including tax
• Defense funding is a priority, though it's recently been complicated by politics around Pentagon leadership	• A separate CR extension would still be needed
• Likely to enact another CR (current one expires 12/11) to push funding into the new Congress	• Attendance will be an issue

Republican Tax Agenda

Different approaches to tax policy in the House and the Senate tax writing committees

W&M	SFC
• Broad tax agenda	• Narrow tax agenda
• Individual stand-alone bills for "good government" changes	• Comprehensive "Taxpayer Assistance and Service Act" (TAS) for good government changes
• Sees Reconciliation 3.0 as a good opportunity for tax legislation	• Prospect of vote-a-rama makes tax less attractive for Reconciliation 3.0

POLLING QUESTION #2

Which tax policy issues are most important to you?

A) Keeping tax rates down
B) Enacting more tax incentives to encourage investment and growth
C) Ensuring U.S. companies have a level tax playing field globally
D) Making it easier to navigate the IRS and the federal tax system
E) All of the above

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Some Republican Tax Priorities

- Digital asset tax
- Tighten tax rules for immigrants
- Tighten rules for tax exempt entities
- Health reimbursement account and expand tax advantage health savings accounts
- Education relief
- Affordable housing incentives
- Modernize S corporation rules
- Increase Section 199A passthrough deduction
- Maritime manufacturing tax breaks
- Fix the OBBBA haircut on gaming deduction
- Expand/make permanent Trump accounts
- Section 899 “revenge tax”

Bipartisan Tax Proposals

- TAS Act
- Retirement
- Relief for Taiwan double taxation
- Renew expired Work Opportunity Tax Credit
- Extend Advance Manufacturing Investment Tax Credit

Some Democrat Tax Proposals

- Raise the corporate and capital gains tax rate
- Revive/extend Biden-era clean energy credits
- Reverse Treasury CAMT relief
- AI tax
- Renew enhanced ACA credits
- Increase child and family tax benefits
- Increase tax on wealthy individuals
- Eliminate carried interest
- Reduce the benefits of Section 1202
- Fully fund the IRS

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POLLING QUESTION #3

Have you interacted with the IRS lately?

A) Yes and it was a great experience

B) Yes and it was a terrible experience

C) No

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Treasury/IRS Update

- IRS lost approximately 30% of its staff since 2025
  - Although IRS is hiring many open positions remain to be filled
  - Taxpayers are experiencing worse service (phones, refund timeliness, correspondence, account errors)
  - IRS audits continue
- Leadership vacancies unfilled or filled with acting personnel
  - e.g. Assistance Secretary Tax Policy, Commissioner
- Still waiting on several pieces of OBBBA guidance

THANK YOU