



Committee: Senate Finance Committee

Event: [The President's Fiscal Year 2027 Budget for the Department of the Treasury](#)

Date: June 3, 2026

Executive Summary:

On June 3, 2026, the Senate Finance Committee held a hearing to review the Fiscal Year 2027 (FY27) budget request for the Department of the Treasury (Treasury). Treasury Secretary Scott Bessent provided testimony. Republican Members largely focused on the administration's economic agenda, highlighting the benefits of the *One Big Beautiful Bill Act (OBBBA)* and arguing that tax cuts and deregulation were strengthening manufacturing and American competitiveness. Democrats concentrated on the economic impacts of President **Donald Trump's** tariff policies, raising concerns about higher costs for consumers and scrutinizing the administration's evolving trade relationship with China.

Member Toplines:

[Chair Mike Crapo \(R-ID\):](#) Crapo praised Treasury's rapid implementation of the OBBBA, arguing that it has provided historic tax relief for working-class Americans. He noted that over 60 million Americans took advantage of the Trump administration's new tax cuts, including no tax on tips and overtime, resulting in an 18 percent overall refund increase. He also highlighted the business provisions of the *OBBBA*, stressing that the legislation will help increase productivity for small businesses and wages for workers. He underscored the bipartisan support for his bill, the TAS Act ([S. 3931](#)), and sought additional support from the rest of the Committee.

[Ranking Member Ron Wyden \(D-OR\):](#) Wyden ridiculed President Trump's recent IRS lawsuit settlement as setting a "new high water mark for public corruption." He condemned Trump for using taxpayer dollars to allocate himself an "insurrection slush fund" and challenged Bessent to justify President Trump's settlement fund to the Committee. He criticized the administration's dismissiveness of the economic struggles facing American families amid an ongoing affordability crisis, specifically pointing to higher gas prices caused by the Iran war, as well as Treasury's role in covering up the Epstein Files.

Witness Toplines:

[Scott Bessent, U.S. Treasury Secretary:](#) Bessent championed the Trump administration's economic policies, especially the *OBBBA*, and credited the administration with prompting a domestic manufacturing revival. He stressed the administration's success in reducing the trade deficit, reducing taxes for business and everyday Americans, and eliminating regulations that prevent America from keeping pace with its international competitors. He closed by accusing Wyden of slandering Treasury in an attempt to hide his own family's relationships with Jeffrey Epstein.

Major Takeaways:

Tax Cuts, Trade & Tariffs

- Republican Members, including Sens. Crapo, **James Lankford** (R-OK), **Chuck Grassley** (R-IA), **Steve Daines** (R-MT), and **Marsha Blackburn** (R-TN), highlighted the positive economic impacts that the *OBBBA* have had on their constituents and local communities.
- Crapo asked which provisions of the *OBBBA* have been the most beneficial to taxpayers.
 - Bessent pointed to business investment incentives, tax relief on tips and overtime, reduced taxes on Social Security income, and deductions for American-made vehicle loans.
- Sen. **Roger Marshall** (R-KY) asked how the *OBBBA* has affected domestic manufacturing.
 - Bessent declared that the *OBBBA* has contributed to a “manufacturing renaissance” by encouraging investment in domestic production and supporting job creation.
- Grassley asked how President Trump’s budget proposal and deregulatory agenda would help reduce annual deficits.
 - Bessent maintained that the federal government’s primary challenge is excessive spending and insufficient economic growth rather than inadequate revenue. He argued that spending restraint and continued economic growth would put the deficit on the right path.
- Sen. **John Barrasso** (R-WY) asked how the proposed budget supported Treasury’s efforts to maintain economic pressure on Iran.
 - Bessent responded that Treasury has dedicated personnel focused on identifying and disrupting Iran’s oil and energy networks, which has significantly damaged the nation’s economy.
- Sen. **Thom Tillis** (R-NC) questioned Treasury’s role in processing tariff refunds.
 - Bessent noted that Treasury is merely a dispersing agent.
- Sen. **Maria Cantwell** (D-WA) focused on the Trump administration’s approach to balancing tariffs and trade relations with China.
 - Bessent stated that the U.S. strategy is to “de-risk” rather than “decouple” from China. He emphasized that there are many industries that the U.S. needs to reshore to reduce dependence on China’s supply chains, including semiconductor manufacturing and critical mineral mining.
 - Bessent noted that the newly established U.S.-China Board of Trade will determine which noncritical goods and industries the countries will be able to trade with each other tariff-free.
- Sen. **Raphael Warnock** (D-GA) criticized the administration’s tariff strategy, citing independent reports that the tariffs cost American families three times more than what they received in tax cuts.

Sanctions against Iran

- Lankford and Barrasso asked for an update on the Trump administration’s efforts to disrupt Iran’s trade of oil exports and broader trade activities.

- Bessent stated that the administration's pressure campaign against Iran, known as Operation Economic Fury, has been highly effective. He highlighted recent actions to sanction and seize Iranian vessels and disrupt the black-market systems used to export Iranian oil and energy products.

Critical Minerals & China

- Sen. **Todd Young** (R-IN) raised concerns about China's manipulation of critical mineral markets, arguing that predatory pricing practices and export restrictions create uncertainty that discourages private investment in U.S. and allied mineral development projects. Young expressed support for the SECURE Minerals Act ([S. 3659](#)), which would deploy a range of financial tools to stabilize markets and strengthen domestic critical mineral capacity.
 - Bessent agreed that critical minerals are a key priority and confirmed that Treasury is helping with Project Vault to counter China's market-distorting tactics and provide greater certainty for domestic projects.
- Young also highlighted the significant gap between U.S. and Chinese shipbuilding capacity, praising President Trump's [executive order](#) (EO) aimed at restoring American maritime dominance. He also stressed the need to pass the bipartisan Ships for America Act ([S. 1541](#)).
 - Bessent agreed that revitalizing the U.S. shipbuilding industry is essential for maintaining industrial capabilities, supporting economic competitiveness, and strengthening national security.

Artificial Intelligence (AI) & Data Centers

- Sen. **Mark Warner** (D-VA) expressed deep concern about the risks posed by agentic AI agents operating without a strong fiduciary framework, warning that reliance on voluntary standards could put the U.S.'s banking system and national security at risk. He also criticized President Trump's recent [AI EO](#), arguing that it weakened fiduciary duties.
 - Bessent defended President Trump's EO as an effort to balance innovation and safety. He also noted that Treasury has convened the nation's largest banks to develop cybersecurity standards that the rest of the industry can emulate.