



President Trump's second administration: key developments and what to watch at the one-year mark

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Introduction

President Donald Trump was inaugurated for his second term on January 20, 2025, and in only one year, the shifts in US policy have been dramatic, spanning trade and industrial policy, including a wave of new tariffs; a deregulatory push; a new approach to artificial intelligence (AI) and energy policy; and a significant reshaping of the role of the federal government.

Many of the changes to date have been driven through executive actions; in the first year of his administration, Trump has signed nearly 230 executive orders (EOs). This represents the largest first-year total in nearly a century and more than Trump signed in his entire first term.¹ The EOs span a wide range of policy actions aimed at addressing tariffs, the size of the federal workforce, immigration, deregulation priorities, and competitiveness and innovation, among others.

Over the same period, hundreds of legal challenges have been filed to slow or stop certain executive actions. A historic government shutdown also closed federal agencies for 43 days and temporarily stalled the implementation of the administration's deregulatory agenda for most agencies.

On the legislative front, the president's key accomplishment was passage of his One Big Beautiful Bill Act (OBBA). Congress also passed the first federal law providing a legal framework for stablecoins, another key focus area for the president.

This publication explores many of the key actions taken by the second Trump administration during its first year on seven key policy issues and considers what's next in 2026.

By the numbers: first year of President Trump's second term

- **228** executive orders (EOs) signed (largest first-year total since Franklin D. Roosevelt's presidency, and more than Trump signed in his entire first term²)
- **345** executive branch personnel confirmed, exceeding the number confirmed during year one of Trump's first term (2017) and President Joe Biden's first year in office).³
 - **57** nominees withdrawn⁴ (swiftest pace of withdrawals since Ronald Reagan's presidency)⁵
 - **27** judicial nominations confirmed (surpassing 16 confirmed in 2017)^{6,7}
 - **43** days - length of US government shutdown (longest in US history)



Trade and industrial policy

Trump's second term has been marked by a sweeping overhaul of US trade policy, driven by the administration's desire to revive US manufacturing and reshore jobs, address what it perceives as global trade imbalances and strengthen national security. Trade negotiations and tariff levels remain fluid, although the US average tariff rate currently is far below its peak in April 2025.

The Trump administration also has taken a reinvigorated approach to US industrial policy – often prompting US companies across several sectors to reshape corporate strategies. Policy changes also have created some additional uncertainty as the US renegotiates trading terms with dozens of governments, and corporate dealmaking adjusts to a new paradigm where in some instances the Trump administration is at the negotiating table alongside them.

Key actions

- A central feature of the president's trade approach has been the aggressive use of tariffs. In fact, the average US tariff rate surged from roughly 2.4% at the end of 2024 to about 16.8% by November 2025. Highlights of the administration's strategy include:
 - **Reciprocal trade policy:** country-specific tariffs ranging from 10%-50%
 - **Sectoral tariffs:** tariffs on specific sectors due to supply chain and related national security concerns
 - **In effect:** autos, steel, aluminum, copper, heavy trucks, kitchen cabinets, lumber, upholstered furniture
 - **Under consideration:** semiconductor chips, medical equipment, critical minerals, drones, robotics, aircraft, pharmaceuticals, motion pictures, others
 - **Other tariffs:** Brazil, Canada, China, India and Mexico all face tariffs to address other US concerns such as geopolitics and drug trafficking.
- **Framework trade deals:**
 - The US is implementing or negotiating several framework trade deals that address tariff rates, nontariff barriers, investments in the US and market access.

Industrial policy:

- The US federal government is entering into a range of public-private partnerships in several sectors viewed as important to national security, including by:
 - Acquiring golden shares
 - Taking equity positions in private enterprises
 - Establishing revenue-sharing arrangements
 - Concluding deals with pharmaceutical companies to lower certain drug prices

What's next

Uncertainty surrounding US trade policy will be punctuated by several pending policy milestones:

- US Supreme Court ruling: decision expected in Q1 on the legality of tariffs imposed by Trump under the International Emergency Economic Powers Act (IEEPA). These powers were used to impose tariffs under Trump's reciprocal trade policy as well as on goods from Brazil, Canada, China, India and Mexico.
- 2026 review of USMCA: Significant negotiations are expected as part of the mandatory 2026 review of the US-Mexico-Canada Agreement, the most economically significant trade agreement for the US.
- 2026 midterm elections: Political considerations, along with economic indicators, could prompt changes or a moderation of Trump's trade agenda.



Regulatory landscape

Deregulation has been another prominent priority of the Trump presidency. As a part of this goal, in 2025, Trump directed agencies to eliminate restrictive and costly regulations and streamline [rulemaking agendas to align](#) with White House priorities, including efforts to reduce compliance costs, embrace innovation and spur economic growth.

Key actions

Focus on reducing regulatory burdens

- Key directives from the president to executive agencies include:
 - [Rescinding](#) regulations and guidance that are not clearly authorized by statute, whose costs outweigh their benefits or that pose significant burdens on small businesses.
 - Overturning ["unlawful"](#) regulations without going through the normal rulemaking process. Trump has referred to unlawful regulations as those that exceed an agency's legal authority or violate constitutional limits.
 - Reviewing existing [regulations](#) for anticompetitive effects and recommending changes or rescissions.

Alignment of agency agendas

- An EO expanded White House oversight of federal agency rulemaking agendas to ensure they align with administration priorities.

Efforts to reshape the size and composition of government

- At the start of his second term, the president [launched](#) a temporary agency called [the Department of Government Efficiency](#) (DOGE), tasked with identifying opportunities to modernize federal government technology systems, examine federal contracts and spending, and reshape the federal government workforce.
 - To date, the administration's various efforts have resulted in a roughly 13% reduction of the federal workforce.
- Trump also has removed many Democrats from government boards and commissions, in several cases leaving Republican appointees alone to advance his priorities. Some moves have prompted lawsuits, including *Trump v. Slaughter*, a case challenging the president's removal of a Federal Trade Commission (FTC) commissioner in 2025. Late last year, the Supreme Court heard oral arguments in the case.

What's next

- This year will feature active rulemaking across agencies to implement a range of the administration's priorities, including those promoting energy production, technology, digital assets, capital formation and AI development and adoption. Actions also will include additional moves to roll back rules implemented during the previous administration, such as those related to sustainability, labor and financial regulation.
- The Supreme Court is expected to rule on the *Trump v. Slaughter* case by the end of its term in June 2026. If the case is overturned, the decision could reshape protections for leaders at independent agencies, including the Securities and Exchange Commission (SEC) and FTC.
- Additionally, courts at all levels likely will have another busy year with new and ongoing litigation.

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Technology

US-China competition and the promotion of US technology are key drivers of the president's technology agenda. One consistent element has been the administration's focus on US AI leadership, with Trump harnessing energy, trade, infrastructure and other policy initiatives to speed AI development and deployment. Another hallmark of the president's approach has been private sector involvement in spurring innovation, including through public-private partnerships, advisory boards and councils. The administration's industrial policy approach also has increased US government intervention in AI-related private sector ecosystems.

Key actions

- Trump outlined his vision for AI policy with a January 2025 [executive order](#) to "enhance America's global AI dominance in order to promote human flourishing, economic competitiveness, and national security."

- The cornerstone of the administration's AI policy came with the July release of [Winning the Race: America's AI Action Plan](#). The plan identified [dozens of federal policy actions](#) across three pillars:
 - Accelerate AI innovation
 - Build American AI infrastructure
 - Lead in international AI diplomacy and security
- Last fall, Trump launched the [Genesis Mission](#), an initiative aimed at modernizing federal government services. This includes efforts to revamp federal IT systems, improve user experience and reduce inefficiencies.
 - The initiative also will focus on the development of an integrated AI platform to harness federal scientific datasets. The administration intends to work through US Department of Energy laboratories as well as to seek large-scale investments from the private sector in areas such as supercomputers, data resources, advanced AI and quantum systems and scientific instruments to support these efforts.
- The administration is also taking steps to address the growing demand for energy sources to power AI data centers and other innovative technologies. This includes exploring the co-location of energy sources to handle capacity needs and efforts to fast-track construction of energy generation facilities and data centers by reducing regulatory burdens.

- In an effort to address the vacuum created by a lack of federal AI legislation, Trump in December issued an EO on "[Eliminating State Law Obstruction of National Artificial Intelligence Policy](#)."
 - While an EO alone cannot preempt state laws, the order leans on the Department of Justice to challenge state AI laws in the courts and calls on federal agencies to condition grant funds on the status of a state's AI laws. A lawsuit challenging the constitutionality of the EO is likely. The president also has called on his administration to draft the framework for federal AI legislation, although it will ultimately be up to Congress.

What's next

- The Department of Commerce is expected to launch an American AI Export Program to promote the export of the "American AI Technology Stack" via technical, financial and diplomatic resources.
- Federal regulation of AI will continue to be debated as states react to the president's EO challenging their laws.
- Energy usage by technology companies will remain a point of federal-local government contention as capacity is stretched.

4 Digital assets

Trump has been a strong ally of the digital assets sector, signaling support via several executive actions, engagement with the business community and pro-crypto appointments. His approach has focused on private sector involvement, regulatory clarity, innovation and US global leadership.

Congress followed the administration's lead and passed one of the few bipartisan pieces of legislation of 2025 - the [GENIUS Act](#). This historic measure established a legal framework for stablecoin.

Key actions

- Trump's "[Strengthening American Leadership in Digital Financial Technology](#)" EO outlined priorities to "promote United States leadership in digital assets and financial technology while protecting economic liberty."
- This was bolstered by a follow-up [executive order](#) that established a Strategic Bitcoin Reserve and a US Digital Asset Stockpile.
- More specifics emerged via a July 2025 [report](#) from the President's Working Group on Digital Asset Markets which provided a roadmap for the

administration's policy agenda on crypto, and the federal banking agencies have taken several actions to enable digital asset activities by banking organizations.

- The Trump SEC has also been active in this space. Key actions from the Commission include:
 - Repeal of Staff Accounting Bulletin (SAB) 121. Long criticized by industry, SAB 121 required custodians of digital assets to list them as liabilities on their balance sheets.
 - Guidance redefining and narrowing what are deemed securities. This included determining that not all crypto assets are automatically securities, including certain [protocol mining activities](#). Other guidance also [clarified](#) disclosure requirements for offerings and registrations of securities in the crypto asset markets.
 - Announcement of plans to issue an innovation exemption to provide temporary relief for crypto companies to bring new products and services to market.
 - A shift in approach to [cryptocurrency enforcement](#) and dismissal of pending actions against several major cryptocurrency market entities.

What's next

- Federal agencies will continue to work on the rulemakings to implement the GENIUS Act and other elements of the president's digital assets promotion agenda. The GENIUS Act is set to take effect in the coming year.
- Discussion on the taxation of digital assets transactions, which represent billions in potential federal revenue, will loom over Congress and the Trump administration as negotiations continue.
- The House-passed CLARITY Act will be a top priority for Senate Republican leadership in 2026.
 - The legislation provides a regulatory structure for non-stablecoin categories of digital assets but has stalled in the Senate due to policy disagreements and competing priorities.

5 Tax

The unified Republican Congress and White House led to passage of significant tax legislation in 2025. The One Big Beautiful Bill Act (OBBBA) dominated the legislative calendar in the first half of 2025 and culminated with the president signing the bill into law on July 4, marking the signature legislative achievement of his first year back in office.

Key actions

- The OBBBA extended or made permanent certain expiring provisions of the 2017 Tax Cuts and Jobs Act (TCJA) and established a new international tax framework while also fulfilling a large swath of the administration's first-year domestic agenda.
- Notable provisions included:
 - Providing tax relief permanency for the TCJA extensions, including the state and local tax deduction (SALT) cap
 - New tax relief measures such as no tax on tips, overtime and car loan interest, as well as savings accounts for children

- Permanency of TCJA precliffs on bonus depreciation, Section 163(j) interest deductibility and Section 174 R&D expensing - as well as increased amounts for the standard deduction and Child Tax Credit
- Maintaining the Section 199A pass-through deduction at 20%
- International provisions that set the base erosion and anti-abuse tax (BEAT) rate at 10.5% and global intangible low-taxed income (GILTI) and foreign-derived intangible income (FDII) rates both at 14%
- Ending "Green New Deal" spending, promoting "America-First Energy and Other Reforms," detailing energy tax credit modifications
- Enhancing deduction and income tax credit guardrails, and other reforms, including for Employee Retention Credit provisions and Social Security number requirements for education credits
- Health tax, including eligibility requirements, waste/fraud provisions and health savings account changes

What's next

- Tax-related measures that potentially could advance if attached to future must-pass legislation include:
 - Work Opportunity Tax Credit that expired at the end of 2025
 - Seven-year recovery period for motor sports entertainment complexes that expired at the end of 2025
 - Section 181 expensing rules for film, television and theater productions that expired at the end of 2025 - US-Taiwan tax relief
 - Deduction limit of 90% of gambling losses that takes effect in 2026 (restore 100% deduction)
 - Retirement provisions
- Pending their satisfaction with the outcome of Pillar 2 of the Organisation for Economic Co-operation and Development (OECD)-led global tax deal, Republicans could seek to revive the Section 899 retaliatory tax provision. This measure was included in the House version of the OBBBA but dropped following a G7 statement welcoming an international agreement on a side-by-side system that would exempt US multinationals from most Pillar 2 global minimum tax rules. That agreement was [announced](#) on January 5.



Workforce

Rollbacks of diversity, equity and inclusion (DEI) policies, tightening of immigration policies and federal workforce reductions have been central to Trump's second-term policy approach to workforce policy issues. The cumulative effects of these changes are reverberating through the business community, and tensions are expected to persist in the months ahead.

Key actions

- Trump signed wide-ranging [executive orders](#) aimed at eliminating DEI-related requirements, mandates, programs and preferencing throughout the federal government and federal contractors. Other DEI-related orders impacted the armed forces, higher education, science and AI.
- The president also has [prioritized efforts](#) to address illegal immigration and reduce migration flows into the US. While early actions have generally targeted illegal and other broader immigration policies, more recently the administration also has undertaken executive actions and rulemakings specifically impacting the high-skilled employment-based immigration.
- Such actions have included the [September 19 proclamation](#) imposing a \$100,000 payment on certain H-1B petitions, a new final rule establishing a ["weighted" selection process for H-1Bs](#), a proposal to require a [fixed period of admission for certain students and early career foreign professionals](#) and [increased scrutiny and enforcement related to H-1B employers](#) by the Department of Labor, and [expanded "online presence reviews" for H-1B applicants](#) and their dependents.

What's next

- The administration's "America First" labor efforts will continue to impact talent access, availability and mobility across sectors, industries and geographies.
- Continued efforts to roll back Biden-era DEI policies and ongoing legal challenges to these actions will continue to drive uncertainty.
- Increased scrutiny of foreign workers will persist; access to and use of foreign talent will be more costly, complex and uncertain. Additional rulemakings will impact the H-1B program as a whole, Optional Practical Training for foreign students and potentially H-4 work authorization.
- While the September 19 H-1B proclamation is currently in effect - bolstered by a federal judge's ruling - legal challenges will continue to play out in the courts.
- The administration will continue to seek opportunities to ["reshore"](#) jobs and promote US-based manufacturing and production via various tax and other incentives as well as trade barriers.
- The year ahead will likely also bring increased focus on the impact of AI on the workforce, including calls for businesses to upskill, retrain and educate workers for AI-integrated and AI-based roles.

Energy

Energy policy under the Trump administration has shifted strongly toward deregulation and traditional production, while scaling back and delaying clean energy mandates. These efforts have focused on improving domestic energy supply chains and incentivizing investments in infrastructure. Energy is also a major component of Trump's international economic agenda, with a strong emphasis on facilitating the export of American energy and securing energy investments from US trading partners.

Key actions

- The "["Unleashing American Energy"](#) EO directed federal agencies to use emergency authorities to expand domestic energy supply.
- Trump also mandated deregulatory efforts through sunset provisions, delayed implementation, and identifying state laws and policies extending beyond their authority.
- Provisions of the OBBBA accelerated the phase-out of subsidies for new certain clean energy facilities while tightening eligibility further bolstering Trump's energy agenda.
- The president's Genesis Mission includes energy policy components, including the advancement of nuclear technologies.
- Many of Trump's trade deals have included investment commitments including for oil, gas and nuclear energy infrastructure and significant energy purchase commitments from trading partners.

What's next

- The administration will focus on enacting large-scale permitting reform to accelerate electric grid modernization projects, development of new energy production facilities and improvements to overall energy infrastructure.
- Energy will be a flashpoint in the renegotiation of USMCA in 2026. The US Trade Representative has already objected to the reforms to the Mexican energy sector that took place after the USMCA was signed and its effects on US energy production.
- Following the removal of Venezuelan leader Nicolas Maduro earlier this year, efforts to accelerate investment in the country's oil infrastructure will remain a priority for the Trump administration.

Conclusion

Trump's administration has ushered in significant shifts to every corner of US policy. The volume of executive actions launched thus far represents a historical high-water mark and shows little sign of ebbing. The public policy landscape in 2026 and beyond remains poised for change. Deregulatory efforts, trade issues and technology developments in particular bear watching.

With the midterm elections looming large on the horizon, expect the president to continue to urge Congress forward on his legislative priorities; a change in majority in either chamber of Congress next year would bring the president's legislative agenda to a halt and put an even bigger spotlight on his broad executive agenda. The policy environment will also continue to be shaped by state governments' responses to the president's actions, as well as court challenges and decisions. And of course, the economy, ongoing trade conflicts and broader geopolitical uncertainties will continue to impact the incoming administration's agenda in unforeseen ways.

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