



COMMISSIONER

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

September 24, 2009

The Honorable John Lewis
Chairman
Subcommittee on Oversight
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I am following up on my letter of July 6, 2009, on the penalties assessed under section 6707A of the Internal Revenue Code. In response to your request, in that letter, I committed to suspending collection efforts until September 30, 2009, for cases where the tax benefits resulting from the listed transactions are less than \$100,000 for individuals and \$200,000 for others to give the Congress time to take action to remedy this situation. Clearly, a number of taxpayers have been caught in a penalty regime that the legislation did not intend.

I understand that the Congress is still considering this issue, and that a bipartisan, bicameral, bill may be in the works. To give the Congress time to address the issue, I am writing to extend the suspension of collection enforcement actions through December 31, 2009.

I share your desire to see this issue resolved, and offer whatever support the IRS can provide to make it happen. I am sending a similar letter to your colleagues.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Shulman", is written over the typed name.

Douglas H. Shulman