



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: National Taxpayer Advocate 2003 Annual Report to Congress
Da: Wednesday, Jan. 14, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, today made the following comment on the National Taxpayer Advocate 2003 Annual Report to Congress.

“The report gives the Finance Committee a good road map of areas that need reform in the tax code and at the IRS. I'm especially interested in the advocate's suggestions on the oversight of paid preparers and improving services for taxpayers, especially low-income families. The Finance Committee has looked at the quality of service from paid preparers. I'm planning a letter to the IRS that will further explore the steps the IRS is taking to ensure quality service from these businesses. Paid preparers have to be part of the solution, not the problem.

“I'll also review the taxpayer advocate's comments about the fact that there is no provision in the tax code requiring income tax withholding on federal contracts. This is troubling, given that the report notes a lack of IRS data on overall tax noncompliance by federal contractors. The IRS can't achieve tax compliance in a vacuum. The rest of the government and its adjuncts have to help. It's counterproductive when governmental entities contradict each other on tax compliance, as we saw with the Treasury Department advising against public infrastructure leases as tax shelters, and the Transportation Department advising in favor of them.”