



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Treasury Inspector General for Tax Administration Report report, "The Tax Exempt and Government Entities Division Strategy for Abusive Tax Avoidance Transactions Needs Further Development"
Da: Friday, Oct. 22, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, is investigating governance problems in the non-profit arena and considering legislative reforms. He made the following comment on a report released today from the Treasury Inspector General for Tax Administration, "The Tax Exempt and Government Entities Division Strategy for Abusive Tax Avoidance Transactions Needs Further Development," Reference Number: 2004-10-190. The report is posted at <http://www.ustreas.gov/tigta/>.

"This important new report highlights the need for the IRS to take aggressive action in identifying and dealing with tax shelters in the tax-exempt area. Along with seeking stepped-up IRS enforcement, the Finance Committee is actively reviewing current law to determine whether penalties and disclosure are adequate to deter and prevent tax-exempt organizations from participating in tax abusive transactions."

For Finance Committee materials on non-profits and tax shelters, please see the "Tax Exempt Governance Proposals: Staff Discussion Draft" and the testimony of Jay D. Adkisson, Editor of Quatloos.com and Director of Private Client Services Select Portfolio Management, Inc., under "hearings," June 22, 2004, at finance.senate.gov.