



COMMISSIONER

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

October 5, 2005

The Honorable John F. Kerry  
Ranking Member, Committee on Small Business  
and Entrepreneurship  
United States Senate  
Washington, D.C. 20510

Dear Senator Kerry:

I am responding to the joint letter from the Senate Committee on Small Business and Entrepreneurship and the Senate Committee on Finance, dated September 26, 2005. You asked that the Internal Revenue Service (IRS) provide on-site assistance, to those affected by hurricanes Katrina and Rita, at Small Business Development Centers (SBDCs) in Alabama, Louisiana, and Mississippi.

Thank you for your recognition of our aggressive efforts to help those affected by the recent disasters. The IRS has a long history and positive working relationship with SBDCs across the country. Since the disaster, we have been in contact with the SBDCs in each of the impacted states to discuss how we can best assist them. We have provided a supply of IRS Disaster Kits, information about our special toll-free number, and instructions on how taxpayers can obtain transcripts of tax returns. We also conveyed our willingness to provide on-site assistance at their Disaster Assistance Workshops.

In addition, we created a special toll-free number for tax-related disaster issues, dedicated approximately 5,000 telephone assisters to help answer calls to the Federal Emergency Management Agency (FEMA), and have employees providing on-site assistance in dozens of FEMA disaster recovery centers. We also established agreements with three tax professional organizations to work with us in providing assistance at FEMA sites – the American Institute of Certified Public Accountants (AICPA), the National Association of Enrolled Agents (NAEA), and the American Association of Attorney-Certified Public Accountants (AAA-CPA).

In the aftermath of Hurricane Katrina, we immediately launched a comprehensive plan. To date, we have issued 16 news releases and nine legal guidance documents announcing various details on relief made available to affected people. We have extended deadlines for filing returns and making payments, suspended compliance activities and correspondence, temporarily waived certain rules, increased the standard mileage rate, and made arrangements for expediting free copies of federal tax returns and transcripts.

Recently Beth Tucker, Director, Communications, Liaison, and Disclosure, Small Business/Self-Employed Division, spoke with Donald Wilson, President of the Association of Small Business Development Centers, to discuss additional assistance we can provide the SBDCs. As a result, we have come to an agreement as to the best means to provide the required support, and we have established a multi-faceted plan to supplement our current procedures and will provide expedited transcripts to taxpayers to aid them in the loan application process.

While our immediate attention is focused on the Gulf States, we are also reaching out to SBDCs in other states to ensure we are assisting all of the thousands of small businesses affected by the recent hurricanes. We will continue to partner with the SBDCs in helping small business taxpayers get back on their feet following this disaster.

I appreciate your ongoing support for these initiatives. I am sending similar responses to Senators Grassley, Baucus, and Snowe. If you have any questions, please contact me or call Ms. Tucker at (202) 622-0600.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark W. Everson", with a stylized flourish at the end.

Mark W. Everson