

United States Senate

WASHINGTON, DC 20510

September 26, 2005

The Honorable Mark Everson
Commissioner
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224

We applaud the efforts of the IRS to help with the victims of Hurricane Katrina. Both the assistance of nearly 5,000 IRS employees and the extension of filing deadlines will help victims cope with the aftermath of Katrina. We are contacting you in regards to another way in which the IRS can help the victims of Katrina. Specifically, we request that the IRS provide on-site assistance to the Small Business Development Centers (SBDCs) located in Louisiana, Mississippi, and Alabama. SBDCs, partners of the Small Business Administration (SBA), provide essential assistance to individuals and small businesses at locations throughout the country.

The Senate Committee on Small Business and Entrepreneurship held a hearing entitled *The Impact of Hurricane Katrina on Small Businesses*. Mary Lynn Wilkerson, the state Director of the Louisiana Small Business Development Center, testified on how SBDCs were trying to assist small businesses which were impacted by Hurricane Katrina. SBDCs are helping small businesses wade through the application process for loans from the Small Business Administration (SBA). Many of these businesses have lost all their records. In order to complete the application process, small businesses need data from their tax returns.

The ten SBDCs in Louisiana, twenty in Mississippi, and one in Alabama have made it a priority to help small businesses impacted by Katrina fill out the appropriate forms so that they can obtain financial assistance as quickly as possible. While the SBA has received more than 26,103 disaster loan applications related to Katrina, it has approved only 142 disaster loans. We believe having an IRS employee at SBDC sites who could provide individuals with assistance in obtaining their tax information would help streamline the loan application process and ultimately result in small businesses getting back on their feet more quickly.

We believe IRS employees providing on-site assistance in coordination with SBDCs in the Gulf Region would be a great help to small businesses that are struggling to survive. In addition, if it is determined that Hurricane Rita has had a similar devastating impact as Hurricane Katrina did on small businesses, we would like similar assistance to be provided to the SBDCs in the affected region.

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We thank you advance for your consideration of this timely issue.

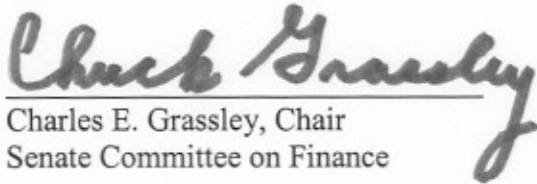
Sincerely,



Olympia J. Snowe, Chair,
Senate Small Business Committee



John F. Kerry, Ranking Member
Senate Small Business Committee



Charles E. Grassley, Chair
Senate Committee on Finance



Max Baucus, Ranking Member
Senate Committee on Finance