AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

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JOHN J. SWEENEY
PRESIDENT

RICHARD L. TRUMKA
SECRETARY-TREASURER

LINDA CHAVEZ-THOMPSON
EXECUTIVE VICE-PRESIDENT

# LEGISLATIVE ALERT!

November 8, 2007

Dear Representative:

The AFL-CIO urges you to vote for the Tax Reduction and Reform Act of 2007 (H.R. 3996), which is scheduled for floor consideration tomorrow.

We commend the Ways and Means Committee for producing legislation to protect more than 20 million middle class taxpayers from having to pay the alternative minimum tax in 2007. H.R. 3996 would also provide temporary relief to low- and moderate-income working families affected by flaws in the child tax credit—specifically, by allowing 2.9 million otherwise ineligible low-income children to qualify for the credit next year and providing for an increased tax benefit to about 10 million additional children.

Furthermore, we applaud the Committee's decision to address the inherent inequity in our tax system by including language in H.R. 3996 that would require managers of private equity partnerships to pay ordinary income tax rates on profits earned for performance, instead of the dramatically lower capital gains rate of 15 percent. H.R. 3996 would ensure that the very richest Americans pay their fair share of ordinary income taxes on the billions of dollars of "carried interest" fees they earn each year.

Carried interest income is compensation for management services rendered, not a capital gain on a financial investment. Americans are justifiably outraged that our current tax system allows a private equity fund manager earning $500 million a year for services pay an effective tax rate of only 15 percent, while firefighters, teachers and secretaries pay a rate of 35 percent on their earnings.

The AFL-CIO urges you to vote for the Tax Reduction and Reform Act as voted out of Committee and to resist any efforts to modify the intended purpose of this legislation.

Sincerely

William Samuel, Director
DEPARTMENT OF LEGISLATION

# THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

**2300 Wilson Boulevard, Suite 400 • Arlington, VA 22201**
**Phone: (703) 548-3118 • FAX: (703) 548-3119 • www.agc.org**

SKILL RESPONSIBILITY INTEGRITY




November 1, 2007

United States House of Representatives
Washington, DC 20515

Dear Representative:

The Associated General Contractors of America (AGC) is the largest of the nationwide trade associations of building, highway, heavy industrial and utility construction contractors. AGC's more than 32,000 members are deeply concerned about the alternative minimum tax (AMT), not only on a personal level, but because more than 60% of our membership are flow-throughs. These members' businesses are taxed at the personal level, and because of the AMT, are unable to take many of the tax deductions and exemptions that Congress has provided over the years. AGC urges a YES vote on the Temporary Tax Relief Act of 2007.

Congress instituted the AMT which included the long-term contract adjustment with the Tax Reform Act of 1986. The law imposes a minimum tax on an individual to the extent the taxpayer's minimum tax liability exceeds its regular tax liability. An individual's minimum tax is imposed at rates of 26 and 28% on alternative minimum taxable income. The computation of AMT is administratively complex and inhibits the formation of capital, including complicating equipment and property acquisition decisions. The AMT long-term contract adjustment was enacted to require large contractors to report certain income from long-term contracts using the percentage-of-completion method (PCM). The AMT requires contractors with long-term contracts at their fiscal year end that are not subject to current regular taxation to add back to regular taxable income the unreported gross profit on the long-term contracts, and subject the long-term gross profit to the AMT. Therefore, a contractor is currently required to make the difficult and time-consuming cost-to-cost percentage-of-completion calculations for every long-term contract in progress at the fiscal year end.

In addition, AGC supports the extension of a number of other provisions, particularly the 15-year straight-line cost recovery for qualified leasehold and restaurant improvements, the expensing of "brownfields" environmental remediation costs, and the deduction of state and local general sales taxes.

Finally, AGC supports the continued focus on section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222), which would require 3% withholding on all payments for construction at every level of government starting in 2011. We appreciate the objective of the provision in HR 3996 which would delay implementation of section 511 by one year, but believe logic and fairness both dictate that Congress fully repeal section 511. A one-year or other delay of implementation doesn't fix the problem; it only temporarily relieves some of the pressure. AGC believes that with so many significant deadlines looming, Congress must focus sooner rather than later on the repeal of the 3% withholding.

For all of these reasons, AGC supports a yes vote on HR 3996, in order to bring temporary but necessary tax relief to our nation's building contractors.

Sincerely,

Heidi Blumenthal

Heidi Blumenthal
Director, Congressional Relations
Tax and Fiscal Affairs

November 8, 2007

Organizations Support the Temporary Tax Relief Act of 2007, H.R. 3996

Dear Member:

The undersigned organizations, committed to improving the lives of working families and especially of the working poor, support H.R. 3996, the Temporary Tax Relief Act of 2007. This bill promotes greater fairness in the tax code by strengthening the Child Tax Credit and Earned Income Credit, ensuring that millions of families are not subject to the Alternative Minimum Tax for the first time, and by demanding that those who have the greatest resources to contribute pay their fair share in taxes.

The bill's provisions regarding the refundable Child Tax Credit and the Earned Income Credit for military families are important improvements to two of the nation's most effective anti-poverty measures. These provisions will help millions of working families who struggle to make ends meet while also shouldering their share of federal, state and local taxes, and in many cases, while also fighting U.S. wars abroad. We believe working parents and their children should not be excluded from the benefits of the child tax credit because they are too poor. Currently, about 6 million children in poor working families receive no child tax credit because they do not earn enough, and another 10 million children receive only a partial credit. H.R. 3996 takes an important step towards remedying this unfairness by allowing a parent working 30 hours a week, 50 weeks a year at the current minimum wage to qualify for a partial child tax credit. The bill also prevents families from losing the child tax credit when their earnings do not rise at least as much as inflation. The poorest workers often see their wages stagnate and are subject to frequent lay-offs. By no longer raising the minimum earnings every year for inflation, the bill will offer far more help to the working families who need it most. Finally, the bill ensures that military families do not lose the earned income credit because much of their qualifying income is combat pay.

We also support the provisions in this bill that further promote tax fairness by ensuring that those who have the most to give pay their fair share, and honor our progressive system of taxation. In addition, by being fully paid-for, H.R. 3996 takes an important step toward ensuring that our nation has the resources it needs to make the right human investments, now and in the future.

We urge you to support tax fairness, and vote for H.R. 3996.

Sincerely

9to5, National Association of Working Women
ACORN

Alliance for Children and Families
American Federation of State, County and Municipal Employees
Arizona Advocacy Network
Bread for the City
Center for Community Change
Center for Law and Social Policy
Center on Budget and Policy Priorities
Chicago Abortion Fund
Child Welfare League of America
Children's Defense Fund
Citizens for Tax Justice
Clearinghouse on Women's Issues
Coalition for Independent Living Options
Coalition on Human Needs
Contact Center
Early Care and Education Consortium
Families USA
Food Research and Action Center
National Advocacy Center of the Sisters of the Good Shepherd
National Black Police Association
National Center on Domestic and Sexual Violence
National Council of Jewish Women
National Council of La Raza
National Organization for Women
National Partnership for Women and Families
National Women's Law Center
National Women's Political Caucus
NETWORK, A Catholic Social Justice Lobby
New Mexico Voices for Children
NOW-NJ
OMB Watch
Poor People's Alliance
Project IRENE
RESULTS
Social Action Linking Together (SALT)
USAction
Voices for America's Children
Wider Opportunities for Women
YMCA of the USA
YWCA USA

R&D Credit Coalition
Invest in America's Future

October 31, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel and Ranking Member McCrery:

The R&D Credit Coalition commends the Committee for legislative efforts to extend the R&D tax credit. We look forward to working with the Committee to secure a multi-year extension of a strengthened credit.

The R&D Credit Coalition is a group of more than 100 trade and professional associations along with small, medium and large companies that collectively represent hundreds of thousands of American workers engaged in U.S.-based research throughout major sectors of the U.S. economy, including aerospace, agriculture, biotechnology, chemicals, electronics, energy, information technology, manufacturing, medical technology, pharmaceuticals, software and telecommunications.

The R&D tax credit has a proven history of encouraging additional investments in research and promoting U.S. based high-wage job growth. The Coalition looks forward to working with the Committee in the legislative process to secure a multi-year extension of a strengthened R&D tax credit so that businesses will be able to plan and invest in U.S.–based R&D with certainty well into the future.

Sincerely,

William J. Sample
Bill Sample
Microsoft Corporation
Chair, R&D Credit Coalition

Donna Siss Gleason
Donna Siss Gleason
The Boeing Company
Vice Chair, R&D Credit Coalition

Douglas A Lathrop
Douglas Lathrop
EDS
Cochair, R&D Credit Coalition,
Government Affairs Committee

Karen Myers
Karen Myers
CA
Cochair, R&D Credit Coalition,
Government Affairs Committee

Monica M. McGuire
Monica M. McGuire
National Association of Manufacturers
Executive Secretary, R&D Credit Coalition

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1331 Pennsylvania Avenue, NW • Washington, DC 20004-1790 • (202) 637-3076

**AMERICAN COUNCIL ON EDUCATION**

ACE®

OFFICE OF THE PRESIDENT

October 29, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

On behalf of the American Council on Education and the undersigned higher education associations, I write to thank you for including extensions of the above-the-line deduction for qualified tuition and related expenses and the Individual Retirement Account (IRA) Charitable Rollover in the Tax Reduction and Reform Act of 2007. We urge you to include those two expiring tax provisions in the legislative package with the temporary patch of the Alternative Minimum Tax (AMT) and tax extenders to be drafted by the Ways and Means Committee.

The above-the-line deduction for qualified tuition and related expenses is an important tax provision for the higher education community that is currently set to expire at the end of this year. This important tax benefit allows students or parents who do not qualify for the Hope or Lifetime Learning tax credits to deduct qualified higher education expenses from their taxable income. This provision allows a $4,000 deduction for single filers earning up to $65,000 annually and joint filers earning up to $130,000 annually. The tuition deduction is important to both students and families investing in higher education, and it helps colleges and universities better allocate scarce resources and direct aid to the neediest students.

Another important tax provision to the higher education community is the IRA Charitable Rollover. As passed as part of the Pension Protection Act in August 2006, the IRA Charitable Rollover permits IRA owners starting at age 70½ to make tax-free charitable gifts totaling up to $100,000 per year from their IRAs directly to eligible charities. Since its enactment, the IRA Charitable Rollover has already generated millions of dollars in new or increased contributions to support the important work of colleges and universities across the country. Unfortunately, the current IRA Charitable Rollover is scheduled to expire this December. The IRA Charitable Rollover has been a top tax priority of the higher education community for many years.

We strongly support your efforts to extend both of these important tax incentives this year. In addition, we look forward to working with you to help the Committee find

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Web: http://www.acenet.edu

more effective ways to use the tax code to enhance access to higher education, especially for low- and moderate-income students.

Sincerely,

David Ward
President

DW/bj

On behalf of:
American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
Association of American Universities
Association of Community College Trustees
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators

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National Headquarters
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210-692-3805 *(voice)* 210-692-0823 *(fax)*
*Website:* www.hacu.net

HACU
HISPANIC ASSOCIATION OF COLLEGES & UNIVERSITIES

November 6, 2007

Honorable Charles B. Rangel
Chairman
House Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Honorable Jim McCrery
Ranking Member
House Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

**Re: Vote in Favor of H.R. 3996, the Temporary Tax Relief Act of 2007**

Dear Chairman Rangel and Ranking Member McCrery:

On behalf of the Hispanic Association of Colleges and Universities (HACU) and the 450 institutions and 262 Hispanic-Serving Institutions (HSIs) it represents, I am requesting your support for several provisions in H.R. 3996, the Temporary Tax Relief Act of 2007. The provisions include one-year extensions of the above-the-line deduction for qualified tuition; extension of the IRA Charitable Rollover; and a provision that would permit tax exempt organizations, including college and universities, to invest directly in domestic hedge funds without being subjected to the Unrelated Business Income Tax (UBIT).

We are extremely grateful that these provisions were included in this legislation and urge you to support the bill's final passage. Currently set to expire at the end of this year, the above-the-line deduction for qualified tuition and related expenses is an important tax provision. This tax benefit will allow Hispanics and other students or their parents who do not qualify for the Hope or Lifetime Learning tax credits to deduct qualified higher education expenses from their taxable income. Specifically, it provides for a $4,000 deduction for single filers earning up to $65,000 annually, and joint filers earning up to $130,000 annually. The tuition deduction is important to both students and families investing in higher education, and helps allocate scarce resources and direct aid to the neediest students. This provision would especially impact Hispanic students, many of whom come from families who are economically disadvantaged or earn only modest incomes.

The IRA Charitable Rollover is a crucial tax provision also scheduled to expire this year. As part of the Pension Protection Act passed in August 2006, the IRA Charitable Rollover permits IRA owners starting at the age 70½ to make tax-free charitable gifts totaling up to $100,000 per year from their IRAs directly to eligible charities. Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions to help provide student aid and other needed investments in higher education. This provision serves as an incentive to much-needed donations to Hispanic-Serving Institutions.

The provision allowing tax exempt organizations to invest directly in domestic hedge funds without being subject to the Unrelated Business Income Tax (UBIT) would also be beneficial to HSIs. Although they enroll over half of all Hispanic students in college today, HSIs continue to be grossly under-funded and receive on average less than half of the federal funding per student, compared to other institutions of higher education.

We strongly support these tax provisions and particularly want to see an extension of the expiring tax incentives -- the qualified tuition deduction and IRA Rollover--this year. We urge you to support final passage of H.R. 3996, the Temporary Tax Relief Act of 2007, when it comes to the House floor later this week.

Sincerely,

Antonio Flores

Antonio R. Flores
President and CEO

cc: House Committee on Ways and Means
Congressional Hispanic Caucus
Congressman Xavier Becerra, Assistant to the Speaker
Congressman Rubén Hinojosa, Subcommittee Chairman, Higher Education, Lifelong Learning and Competitiveness
Congressional Hispanic Conference

**Restaurant Depreciation Fairness Coalition**

November 6, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

Our coalition is comprised of small business franchisees, restaurant companies and related associations that support a more realistic tax depreciation schedule for the improvement and new construction of restaurant buildings. We write to convey to you our support for H.R. 3622 introduced by Rep. Kendrick Meek (D-FL) and Patrick Tiberi (R-OH) to provide much needed depreciation relief for restaurants and to thank you for including an extension of accelerated restaurant depreciation for improvements in the *Temporary Tax Relief Act of 2007.*

Restaurant depreciation relief will go a long way in rectifying a troublesome aspect of the tax code which generally requires non-residential commercial real property to be written off over an impractical 39 ½ - year depreciation period. This presents a major problem since the normal use life of our restaurants is nowhere near 39 years, and the fact that our buildings simply do not last that long without major renovations. Plus, accelerated restaurant depreciation levels the playing field with our competitors in other industries which have enjoyed reduced depreciation for their property improvements and new construction for over a decade.

Accelerated depreciation relief for restaurant improvements is set to expire later this year, which is why we are very pleased with this provision's inclusion in the tax extenders title of the *Temporary Tax Relief Act of 2007.* We appreciate your recognition of the importance of this provision to the thousands of small business restaurateurs and franchisees across the country. We are hopeful that the House of Representatives will pass the extenders package later this week.

Again, thank you and we look forward to working with you and Rep. Meek towards enactment of this important legislation.

Sincerely,

*Association of Kentucky Fried Chicken Franchisees*
*Burger King Corporation*
*Brinker International Inc. (Chili's & Macaroni Grill)*
*Darden Restaurants Inc. (Red Lobster, Olive Garden, Bahama Breeze, Seasons 52, LongHorn Steakhouse, Capital Grille).*
*Franchise Management Advisory Council (Taco Bell Franchisees)*
*International Pizza Hut Franchise Holders Association*
*International Franchise Association*
*National Restaurant Association*
*OSI Restaurant Partners, Inc (Outback)*
*YUM! Brands, Inc. (KFC, Taco Bell, Pizza Hut, Long John Silvers & A&W)*

cc: Hon. Kendrick Meek (D-FL)
Hon. Pat Tiberi (R-OH)
Janice Mays
Aruna Kalyanam
Case Jubboori

**AMERICAN COUNCIL ON EDUCATION**

ACE®

OFFICE OF THE PRESIDENT

November 6, 2007

United States House of Representatives
Washington, DC 20515

**Re: Vote in Favor of H.R. 3996, the Temporary Tax Relief Act of 2007**

Dear Representative:

On behalf of the American Council on Education and the undersigned higher education associations, I am writing to express our strong support for several provisions included in the Temporary Tax Relief Act of 2007 (H.R. 3996): the one-year extensions of the above-the-line deduction for qualified tuition and the IRA Charitable Rollover; and a provision that would permit tax-exempt organizations, including colleges and universities, to invest directly in domestic hedge funds without being subjected to the Unrelated Business Income Tax (UBIT). We are extremely grateful that they were included in this legislation and urge you to support its final passage.

Currently set to expire at the end of this year, the above-the-line deduction for qualified tuition and related expenses is an important tax provision. This tax benefit allows students or parents who do not qualify for the Hope or Lifetime Learning tax credits to deduct qualified higher education expenses from their taxable income. Specifically, it provides for a $4,000 deduction for single filers earning up to $65,000 annually, and joint filers earning up to $130,000 annually.

The IRA Charitable Rollover is a crucial tax provision, which is also scheduled to expire this year. As passed as part of the Pension Protection Act in August 2006, the IRA Charitable Rollover permits IRA owners starting at age 70½ to make tax-free charitable gifts totaling up to $100,000 per year from their IRAs directly to eligible charities, including colleges and universities. Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions that benefit students and the higher education institutions that serve them.

We strongly support these tax provisions and particularly want to see an extension of the expiring tax incentives – the qualified tuition deduction and IRA Charitable

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Web: http://www.acenet.edu

Rollover – this year. We therefore urge you to support final passage of H.R. 3996, the Temporary Tax Relief Act of 2007, when it comes to the House floor later this week.

Sincerely,

David Ward
President

DW/bj

On behalf of:
American Association of Community Colleges
American Association of State Colleges and Universities
American Council on Education
American Indian Higher Education Consortium
Association of American Universities
Association of Community College Trustees
Association of Jesuit Colleges and Universities
Hispanic Association of Colleges and Universities
National Association for Equal Opportunity in Higher Education
National Association of College and University Business Officers
National Association of Independent Colleges and Universities
National Association of State Universities and Land-Grant Colleges
National Association of Student Financial Aid Administrators

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Pat Vredevoogd Combs
ABR, CRS, GRI, PMN
President

Dale A. Stinton
CAE, CPA, CMA, RCE
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

November 7, 2007

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The NATIONAL ASSOCIATION OF REALTORS® has carefully reviewed H.R. 3996, the AMT patch and tax extenders package that the House will consider this week. Extending the so-called AMT patch will be a benefit to many of our members and particularly to citizens who live in communities with high property taxes.

Two of the extenders are provisions that NAR has sought and supported for nearly a decade. These are the 15-year cost recovery period for leasehold improvements and the provision that permits a deduction for costs associated with brownfields clean up. These two provisions create jobs. The leasehold improvement provision reflects economic reality and facilitates renovation, upgrades and renewal of nonresidential property. The brownfields clean up provisions provide an incentive for the arduous, skilled and important environmental work of eliminating contaminants. While we continue to work to make these provisions permanent, we nonetheless support the one-year extension.

We are particularly appreciative that the Ways and Means Committee has sent a strong signal about the importance of the mortgage cancellation relief provision that passed the House in October on a vote of 386 – 27. Including that provision in the extenders bill emphasizes the importance of providing this relief on a timely basis. Securing enactment of that relief is among our top priorities.

We do have many concerns about the so-called "carried interest" provision. As real estate professionals who are engaged in every facet of real estate ownership and investment, our members have a core belief that real estate is fully distinguishable from securities. Thus, we do not believe it is appropriate to extend the carried interest provision to real estate partnerships.

We look forward to an ongoing discussion about many of these issues.

Sincerely,

Pat V. Combs

Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®

NATIONAL ASSOCIATION OF REAL ESTATE INVESTMENT TRUSTS®

◆ ◆ ◆

REITS: BUILDING DIVIDENDS AND DIVERSIFICATION®

November 7, 2007

The Honorable Charles B. Rangel
Chairman, Committee on Ways and Means
Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Rangel:

As you know, Real Estate Investment Trusts (REITs) were created by Congress in 1960 to provide an effective and efficient way for investors from all walks of life to invest in income-producing, commercial real estate.

The National Association of Real Estate Investment Trusts (NAREIT), speaking as the representative voice of the REIT community, is pleased to report to you that day-by-day, year-by-year, REITs are fulfilling their mission. Today, the U.S. REIT industry brings to investors of all types the benefit of diversified, liquid and transparent real estate investment. Our industry's long-term track record of performance, built on a growing stream of dividends, is a testament to the continuing vision of Congressional policy makers.

The tax Code requires a REIT to satisfy a number of requirements to make sure it is primarily engaged in real estate activities, and it also requires a REIT to distribute annually to its shareholders at least 90% of its taxable income. In exchange for compliance with this regime, a REIT is permitted to deduct dividends paid to its shareholders from its corporate tax bill.

As tax law changes and as the economy evolves, it is important for the REIT rules in the tax Code to be kept up-to-date. Therefore, I want to express my appreciation to you in behalf of the REIT industry for including language in H.R. 3996 that continues to treat otherwise qualifying REIT gross income from a "carried interest" as qualifying REIT gross income. Without that language, some REITs might have been subject to two levels of tax contrary to the REIT rules and longstanding Congressional intent. Of course, under H.R. 3996, REIT shareholders will be treated no differently than other taxpayers who receive income from a "carried interest".

Thank you for your long term and ongoing support of REITs. It is very much appreciated by our industry and its shareholders.

Very sincerely yours,

Steven A. Wechsler
President & CEO

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**Restaurant Depreciation Fairness Coalition**

November 6, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

Our coalition is comprised of small business franchisees, restaurant companies and related associations that support a more realistic tax depreciation schedule for the improvement and new construction of restaurant buildings. We write to convey to you our support for H.R. 3622 introduced by Rep. Kendrick Meek (D-FL) and Patrick Tiberi (R-OH) to provide much needed depreciation relief for restaurants and to thank you for including an extension of accelerated restaurant depreciation for improvements in the *Temporary Tax Relief Act of 2007.*

Restaurant depreciation relief will go a long way in rectifying a troublesome aspect of the tax code which generally requires non-residential commercial real property to be written off over an impractical 39 ½ - year depreciation period. This presents a major problem since the normal use life of our restaurants is nowhere near 39 years, and the fact that our buildings simply do not last that long without major renovations. Plus, accelerated restaurant depreciation levels the playing field with our competitors in other industries which have enjoyed reduced depreciation for their property improvements and new construction for over a decade.

Accelerated depreciation relief for restaurant improvements is set to expire later this year, which is why we are very pleased with this provision's inclusion in the tax extenders title of the *Temporary Tax Relief Act of 2007.* We appreciate your recognition of the importance of this provision to the thousands of small business restaurateurs and franchisees across the country. We are hopeful that the House of Representatives will pass the extenders package later this week.

Again, thank you and we look forward to working with you and Rep. Meek towards enactment of this important legislation.

Sincerely,

*Association of Kentucky Fried Chicken Franchisees*
*Burger King Corporation*
*Brinker International Inc. (Chili's & Macaroni Grill)*
*Darden Restaurants Inc. (Red Lobster, Olive Garden, Bahama Breeze, Seasons 52, LongHorn Steakhouse, Capital Grille).*
*Franchise Management Advisory Council (Taco Bell Franchisees)*
*International Pizza Hut Franchise Holders Association*
*International Franchise Association*
*National Restaurant Association*
*OSI Restaurant Partners, Inc (Outback)*
*YUM! Brands, Inc. (KFC, Taco Bell, Pizza Hut, Long John Silvers & A&W)*

cc: Hon. Kendrick Meek (D-FL)
Hon. Pat Tiberi (R-OH)
Janice Mays
Aruna Kalyanam
Case Jubboori

November 6, 2007

Dear Representative:

On behalf of the more than 1.4 million members of the American Federation of Teachers (AFT), I write in support of four important tax provisions, which directly assist teachers and help students. They are included in H.R. 3996, the Temporary Tax Relief Act of 2007, a bill that provides a temporary "patch" to the Alternative Minimum Tax.

First, the $250 above-the-line deduction helps compensate teachers who pay for needed school supplies out of their own pockets. Although the AFT supports a higher deduction amount, this tax benefit will provide $204 million of tax relief for teachers.

In addition, the AFT supports the annual extension of the QZAB (Qualified Zone Academy Bonds), which assist local public schools in repairing and upgrading classrooms. The legislation provides the authorization of $400 million in QZAB bonds in 2008. These bonds directly assist school districts, because the federal government provides a federal tax credit equal to the interest. This reduces the cost of the bond by up to 40 percent, but the bonds remain under local control. Since 1998, public school districts across the nation have used the QZAB program to help improve student learning environments.

Although we are pleased the committee will extend the QZAB program, we hope that Chairman' Rangel's America's Better Classroom (ABC) Act, H.R. 2470, will be taken up in the next session of Congress. This comprehensive legislation provides the expansion of the federal bond program that will supplement the efforts of state and local governments to modernize our public schools by building, repairing and renovating them. New and modern schools will help students and teachers alike to meet these achievement goals.

The AFT strongly supports the extension of the $4,000 above-the-line deductions for qualified higher education tuition and related expenses. This is important assistance for working families.

We also support the extension of provisions to provide tax benefits to corporations that donate computer equipment, and enhanced charitable deductions for donations of book inventories to public schools. These provisions have proven helpful in supplementing the efforts of local schools to improve the educational opportunities of their students.

Finally, we are pleased that provisions in H.R. 3996 are extended in a fiscally responsible manner.

We strongly urge you to support H.R. 3996, the Temporary Tax Relief Act of 2007.

Sincerely,

Kristor W. Cowan

Director, Legislation Department

KWC:emc opeiu#2 afl-cio

COUNCIL *on* FOUNDATIONS

November 7, 2007

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
1102 Longworth Building
Washington, DC 20515

Dear Chairman Rangel:

We, the undersigned organizations, would like to express our strong support for the provision in H.R.3996, The Temporary Tax Relief Act of 2007, that modifies the unrelated business income tax rules for certain investment partnerships.

By including this provision, tax-exempt entities, including grantmaking foundations, pension plans, and universities, will be allowed to invest directly in domestic investment partnerships without incurring the unrelated business income tax because of the debt financed property rules. As the Council on Foundations noted in its September 6, 2007, testimony before the Ways and Means Committee, the current unrelated debt financed income rules, which lead tax-exempt entities to invest through offshore "blocker" organizations, must be reconsidered. The provision in H.R.3996 is a direct response to the unintended consequences of the current rules and is to be commended.

We thank you for considering the views of the charitable sector as you formulated H.R.3996.

Respectfully,

Steve Gunderson
President and CEO
Council on Foundations

With the Undersigned Organizations

American Council on Education
Council for Advancement and Support of Education
Independent Sector
National Association of College and University Business Officers
National Association of Independent Schools

American Association of School Administrators

November 6, 2007

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the American Association of School Administrators, representing more than 13,000 school superintendents and local educational leaders, we urge your support for HR 3996, *the Temporary Tax Relief Act of 2007*. Specifically, we applaud the inclusion of a one year extension of the Qualified Zone Academy Bonds and the amendment clarifying 2006 QZAB arbitrage rules. This important program has allowed school districts across the country to make necessary improvements to their school districts through the use of low or no interest loans.

School districts see the QZAB program as an invaluable tool to assist the district to finance necessary improvements to school buildings and purchasing of technology that often are a stretch for school districts to afford. QZABs afford local communities the necessary relief from paying interest on the bonds necessary to fund these improvements. In some instances, the interest could equal up to 50 percent of the bond alone.

In addition to the interest relief, the QZAB program encourages districts to work in innovative partnerships with businesses and other organizations within their local communities. This allows school districts to increase community engagement in their communities at the same time they are working to improve the quality of their school buildings and the technological resources they provide.

AASA strongly supports the inclusion of the one-year extension of QZABs in the tax extenders package being considered on Thursday. This extension is critical for the quality of school learning environments. If you have any additional questions, please do not hesitate to contact us.

Sincerely,

Mary Kusler

Mary Kusler
Assistant Director of Government Relations

801 North Quincy Street • Suite 700 • Arlington, VA 22203 • Phone: 703-528-0700 • Fax: 703-841-1543 • www.aasa.org

R&D Credit Coalition
Invest in America's Future

November 6, 2007

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
H-232 Capitol
Washington, DC 20515

The Honorable John Boehner
House Republican Leader
U.S. House of Representatives
H-204 Capitol
Washington, DC 20515

Dear Speaker Pelosi and Republican Leader Boehner:

The R&D Credit Coalition commends the Ways and Means Committee for it legislative efforts to extend the R&D tax credit in H.R. 3996. We look forward to working with the Ways and Means Committee and other Members of the House of Representatives to secure a multi-year extension of a strengthened credit.

The R&D Credit Coalition is a group of more than 100 trade and professional associations along with small, medium and large companies that collectively represent hundreds of thousands of American workers engaged in U.S.-based research throughout major sectors of the U.S. economy, including aerospace, agriculture, biotechnology, chemicals, electronics, energy, information technology, manufacturing, medical technology, pharmaceuticals, software and telecommunications.

Sincerely,

William J. Sample
Bill Sample
Microsoft Corporation
Chair, R&D Credit Coalition

Donna Siss Gleason
Donna Siss Gleason
The Boeing Company
Vice Chair, R&D Credit Coalition

Douglas A Lathrop
Douglas Lathrop
EDS
Cochair, R&D Credit Coalition,
Government Affairs Committee

Karen Myers
Karen Myers
CA
Cochair, R&D Credit Coalition,
Government Affairs Committee

Monica M. McGuire
Monica M. McGuire
National Association of Manufacturers
Executive Secretary, R&D Credit Coalition

**Council of the Great City Schools**

Albuquerque
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Toledo
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Wichita
♦

Council of the Great City Schools
1301 Pennsylvania Avenue, N.W. ♦ Suite 702 ♦ Washington, D.C. ♦ 20004
(202) 393-2427 ♦ (202) 393-2400 (fax)
http://www.cgcs.org

October 30, 2007

The Honorable Charles Rangel
Chairman, Ways and Means Committee
U.S. House of Representatives
1106 Longworth Office Building
Washington D.C. 20510

Dear Mr. Chairman:

The Council of the Great City Schools, the coalition of the nation's largest central city school districts, writes to support the one-year extension of the Qualified Zone Academy Bond program (QZAB) in the Temporary Tax Relief Act of 2007.

The QZAB program has been an important financial instrument for urban school districts allowing for the modernization and rehabilitation of aging school facilities by relieving our communities from interest costs through a federal tax credit for bond holders. Urban schools were the first beneficiaries of the original QZAB program, and continue to actively apply for these tax credits to renovate and repair our schools.

The Council believes that the clarification of the QZAB arbitrage rules contained in the pending bill will further enhance the utilization of the QZAB program nationwide.

The Council commends the Committee for including the QZAB extension in the tax extenders package, and appreciates your leadership in improving school facilities, particularly for urban and low-income communities.

Sincerely,

Michael Casserly
Executive Director

American Association of School Administrators

October 31, 2007

Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

On behalf of the American Association of School Administrators, representing more than 13,000 school superintendents and local educational leaders, we applaud the inclusion of a one year extension of the Qualified Zone Academy Bonds and the amendment clarifying 2006 QZAB arbitrage rules in HR 3996, *the Temporary Tax Relief Act of 2007.* This important program has allowed school districts across the country to make necessary improvements to their school districts through the use of low or no interest loans.

School districts see the QZAB program as an invaluable tool to assist the district to finance necessary improvements to school buildings and purchasing of technology that often are a stretch for school districts to afford. QZABs afford local communities the necessary relief from paying interest on the bonds necessary to fund these improvements. In some instances, the interest could equal up to 50 percent of the bond alone.

In addition to the interest relief, the QZAB program encourages districts to work in innovative partnerships with businesses and other organizations within their local communities. This allows school districts to increase community engagement in their communities at the same time they are working to improve the quality of their school buildings and the technological resources they provide.

AASA strongly supports the inclusion of the one-year extension of QZABs scheduled for consideration by the committee during Thursday's markup. This extension is critical for the quality of school learning environments. If you have any additional questions, please do not hesitate to contact us.

Sincerely,

Mary Kusler

Mary Kusler
Assistant Director of Government Relations

801 North Quincy Street • Suite 700 • Arlington, VA 22203 • Phone: 703-528-0700 • Fax: 703-841-1543 • www.aasa.org

October 31, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

On behalf of the 95,000 school board members of the National School Boards Association (NSBA) who represent more than 50 million students in the nation's 15,000 public school districts, I am writing in support of the following provisions of the pending *"Temporary Tax Relief Act of 2007"*:

- Extension of the Qualified Zone Academy Bond (QZAB) program;
- Clarification of the 2006 QZAB arbitrage rules;
- Extension of the $250 tax deduction for school teachers' expenses for classroom supplies, instructional materials and related expenses; and
- Extension of the enhanced deduction for book and computer donations to schools.

These provisions in the *Temporary Tax Relief Act of 2007* are very beneficial to the nation's school districts and communities, helping advance student achievement and ensure that our students receive the 21st Century skills and knowledge necessary for global and economic competitiveness.

Specifically, the QZAB provisions will continue to provide critical, cost-effective resources to school districts for infrastructure repairs and modernization, as well as curriculum development. Since its inception in 1998, the program has also strengthened public-private partnerships between school districts and businesses that have, in turn, contributed to innovative education programs and overall student achievement.

The one-year extensions proposed for above-the line deductions for teachers and for enhanced deductions for specific school donations are also ultimately beneficial to our students and schools. Like the QZAB program, these deductions are especially helpful in providing resources for schools in high-poverty communities—both urban and rural—
with limited tax bases that need additional support for school modernization costs and classroom supplies.

NSBA greatly appreciates your support for our students and school districts in the *Temporary Tax Relief Act of 2007*, and urges the Committee's adoption of the provisions stated above.

·NSBA·

*Excellence and Equity in Public Education through School Board Leadership*

**Office of Advocacy**

- *Norman D. Wooten*
  *President*
- *Anne L. Bryant*
  *Executive Director*
- *Michael A. Resnick*
  *Associate Executive Director*

**National School Boards Association**
1680 Duke Street ■ Alexandria, Virginia 22314-3493 ■ (703) 838-6722 ■ Fax: (703) 548-5613 ■ http//www.nsba.org

In addition, NSBA looks forward to working with you to enact the *America's Better Classrooms Act* (H.R. 2470), which will help provide federal resources for school construction, as well as repair and modernization.

Thank you again for your leadership and support for our students.

Sincerely,

Michael A. Resnick

Michael A. Resnick
Associate Executive Director

MAR: dr/kc
N:Adv/HillLetters/House/103107TempTaxReliefAct

cc: The Honorable Jim McCrery
Ranking Member

REBUILD AMERICA'S SCHOOLS
*A National Coalition*

National Parent Teacher Association □ Council of The Great City Schools □ National Education Association
American Federation of Teachers □ American Association of School Administrators □ National School Boards Association
National Association of Elementary School Principals □ National Association of Secondary School Principals
NAACP □ National Association of Federally Impacted Schools □ American Institute of Architects
Organizations Concerned About Rural Education □ National Rural Education Association
Californians for School Facilities

SCHOOL DISTRICTS
Akron, OH
Aldine, TX
Birmingham City, AL
Birmingham Public, AL
Boston, MA
Broward County, FL
Brownsville, TX
Chicago, IL
Cincinnati, OH
Clark County, NV
Compton, CA
Corpus Christi, TX
Dayton, OH
Detroit, MI
Escambia, FL
Houston, TX
Jefferson Parish, LA
Jersey City, NJ
McAllen, TX
Memphis, TN
Miami-Dade, FL
Milwaukee, WI
Minneapolis, MN
Montgomery, AL
Nashville, TN
Newark, NJ
New Orleans, LA
New York, NY
Norfolk, VA
Oklahoma City, OK
Omaha, NE
Pharr-San Juan-Alamo, TX
Philadelphia, PA
Providence, RI
Richmond, VA
Rochester, NY
Savannah-Chatham, GA
St. Louis, MO
St. Paul, MN
Toledo, OH
Tulsa, OK
Ysleta, TX

1440 N Street, NW
Suite 1016
Washington, DC 20005

*PHONE* 202-462-5911
*FAX* 202-986-4569
*E-MAIL*
RebuildAmericasSchools@comcast.net

October 30, 2007

The Honorable Charles Rangel
Chair
Committee on Ways and Means
US House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel:

Rebuild America's Schools is writing to support the one year reauthorization of the Qualified Zone Academy Bond (QZAB) program in the Temporary Tax Relief Act of 2007. The Qualified Zone Academy Bond (QZAB) extension and the amendment clarifying 2006 QZAB arbitrage rules will greatly assist state and school districts in their efforts to modernize America's schools and to advance student achievement.

The QZAB program offers a valuable and innovative financial instrument to help school districts raise funds to renovate buildings, invest in equipment and technology while developing curricula to maximize these upgrades. Under the program investors receive a federal tax credit equal to the amount of interest payable on the bonds thereby relieving local communities and taxpayers of the burden of paying interest on those bonds.

The underlying goal of the QZAB program encourages school districts and businesses to cooperate in innovative ways that expand student learning opportunities and help schools prepare their students with the kinds of skills employers need to compete in the global economy.

The QZAB program is highly successful and has bipartisan support. Not only have QZABs enabled school districts to renovate and repair schools, QZABs have also stimulated innovative education programs. School districts in virtually every state are now using the QZAB program which began in 1998. There is a high demand for QZAB participation in many states including New York, Louisiana, California, Texas, Illinois, Michigan, Minnesota and Iowa.

Thank you for your consideration of the Qualified Zone Academy Bond Program in the tax extenders package and for your commitment to federal support for state and local efforts to strengthen our nation's public schools.

Rebuild America's Schools also looks forward to working with you on The **America's Better Classrooms Act** (HR 2470) which will assist states in meeting the school facility needs of local communities by providing resources to build, repair, and renovate America's schools. In addition, its enactment will stimulate the creation of more than 500,000 new jobs in construction related services.

Again, we appreciate your leadership in Congress on this and many other issues important to parents and school children.

Sincerely,

Robert P. Canavan
Chair

American Association of School Administrators

October 31, 2007

Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Rangel:

On behalf of the American Association of School Administrators, representing more than 13,000 school superintendents and local educational leaders, we applaud the inclusion of a one year extension of the Qualified Zone Academy Bonds and the amendment clarifying 2006 QZAB arbitrage rules in HR 3996, *the Temporary Tax Relief Act of 2007*. This important program has allowed school districts across the country to make necessary improvements to their school districts through the use of low or no interest loans.

School districts see the QZAB program as an invaluable tool to assist the district to finance necessary improvements to school buildings and purchasing of technology that often are a stretch for school districts to afford. QZABs afford local communities the necessary relief from paying interest on the bonds necessary to fund these improvements. In some instances, the interest could equal up to 50 percent of the bond alone.

In addition to the interest relief, the QZAB program encourages districts to work in innovative partnerships with businesses and other organizations within their local communities. This allows school districts to increase community engagement in their communities at the same time they are working to improve the quality of their school buildings and the technological resources they provide.

AASA strongly supports the inclusion of the one-year extension of QZABs scheduled for consideration by the committee during Thursday's markup. This extension is critical for the quality of school learning environments. If you have any additional questions, please do not hesitate to contact us.

Sincerely,

Mary Kusler

Mary Kusler
Assistant Director of Government Relations

801 North Quincy Street • Suite 700 • Arlington, VA 22203 • Phone: 703-528-0700 • Fax: 703-841-1543 • www.aasa.org

October 31, 2007

The Honorable Charles Rangel

Chairman

House Committee on Ways and Means

U.S. House of Representatives

Washington, DC 20515

Dear Chairman Rangel:

On behalf of the more than 1.4 million members of the American Federation of Teachers (AFT), I write in support of three important tax provisions, which directly assist teachers and help students, included in legislation that provides a temporary "patch" to the Alternative Minimum Tax.

First, the $250 above-the-line deduction helps compensate teachers who pay for needed school supplies out of their own pockets. Although we support a higher deduction, this tax benefit will provide tax relief of $191 million for teachers.

In addition, the AFT supports the annual extension of the QZAB (Qualified Zone Academy Bonds), which assist local public schools in repairing and upgrading classrooms. The legislation provides the authorization of $400 million in QZAB bonds in 2008. These bonds directly assist school districts, because the federal government provides a federal tax credit equal to the interest. This reduces the cost of the bond by up to 40 percent, but the bonds remain under local control. Since 1998, public school districts across the nation have used the QZAB program to help improve student learning environments.

Although we are pleased the committee will extend the QZAB program, we hope that Chairman' Rangel's America's Better Classroom (ABC) Act, H.R. 2470, will be taken up in the next session of Congress. This comprehensive legislation provides the expansion of the federal bond program that will supplement the efforts of state and local governments to modernize our public schools by building, repairing and renovating them. Since the federal government is calling for higher standards and improved student achievement for all public schools, Congress should provide the additional resources necessary to modernize the antiquated workplaces of students and teachers. New and modern schools will help students and teachers alike to meet these achievement goals.

The AFT also supports the extension of provisions to provide tax benefits to corporations that donate computer equipment, and enhanced charitable deductions for donations of book inventories to public schools. These provisions have proven helpful in supplementing the efforts of local schools to improve the educational opportunities of their students.

Finally, we are pleased that these expiring provisions are extended in a fiscally responsible manner.

Thank you for considering our views.

Sincerely,

Kristor W. Cowan

Director, Legislation Department

American Federation of Teachers

KWC:rjf

# NEW MARKETS TAX CREDIT COALITION

October 31, 2007

The Hon. Charles Rangel
Chairman, House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Hon. Jim McCrery
Ranking Member, House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member McCrery:

I write to indicate our support for the Temporary Tax Relief Act of 2007 (HR 3996). This bill includes an extension of a program that is making great strides in revitalizing low income urban neighborhoods and rural communities: the New Markets Tax Credit.

First authorized in 2000, the principal purpose of the New Markets Tax Credit (NMTC) is to generate private sector investments in economically distressed areas and there is ample evidence that the NMTC is doing just that. According to a recent U.S. Government Accountability Office (GAO) report, the vast majority of investors would not have invested in the NMTC deal if not for the Credit.

The NMTC has already generated over $8 billion in new investment in low-income communities across the country and a vibrant investor market is now recognizing the potential in these communities thanks to the NMTC. Projects being financed with NMTC include manufacturing businesses, grocery-anchored retail centers, small businesses, health care facilities, and commercial and mixed-use real estate projects.

On October 5, the Community Development Financial Institutions Fund (CDFI Fund) awarded its 2007 round of NMTC allocations to 61 CDEs across the country. In December of this year, Treasury will release applications for the 2008 NMTC Allocation which is the final allocation authorized under current law. Therefore, it is essential that Congress extend the Credit through 2009 so investors and community development organizations do not lose this economic development tool that has proven to be so effective in revitalizing low income communities.

Competition for the NMTC allocations is fierce and demand for the program far exceeds the available Credits each year. On average, demand is ten times the amount of available Credits. This year the CDFI Fund received 258 applications for the 61 CDEs that were awarded Credits, and demand was $24 billion more than the $3.9 billion in available allocations.

We have seen first hand how the Credit can make a difference in our communities, so I encourage you to support authorization of this important program for one additional year.

Sincerely,

Robert A. Rapoza

1250 Eye Street, N.W., Suite 902, Washington, D.C. 20005
(202) 204-4500• fax: (202) 393-3034 • www.newmarketstaxcreditcoalition.org

America's Second Harvest The Nation's Food Bank Network

October 31, 2007

The Honorable Charles B. Rangel
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
House Committee on Ways and Means
1106 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member McCrery:

I am writing on behalf of America's Second Harvest, the Nation's Food Bank Network, our food bank members and the thousands of agencies we serve to state our support for the Temporary Tax Relief Act of 2007 (H.R. 3996) and the extension of the enhanced charitable deduction for contributions of food inventory. Food banks are counting on this legislation to help ensure that they can serve every hungry American who seeks their services.

As you know, hunger remains a serious problem in the United States with demand at food banks rising across the country. According to the recently released "Hunger In America 2006" study conducted by Mathematica Policy Research, Inc., over 25 million individuals seek emergency food assistance each year from the America's Second Harvest network of food banks and through the food pantries, soup kitchens and shelters the food banks serve. Of all clients served, 70 percent are food insecure and 33 percent of these individuals are food insecure with hunger. Hunger hurts. Hunger puts our children's health, learning, and development at risk; hunger causes unnecessary pain and suffering on already stressed working poor families; and hunger causes our elderly to make difficult choices between buying food or medicine. Hunger is increasing in the United States at the same time that the USDA estimates that more than 96 billion pounds of food is being thrown away and filling landfills. We can do better than this.

It is crucial to extend the enhanced charitable deduction for contributions of food inventory. This provision provides ALL businesses with needed incentives to donate wholesome food for hungry Americans, as demand for food assistance remains strong throughout America. The inclusion of the food donation provision in the Temporary Tax Relief Act of 2007 will help ensure that food pantries, soup kitchens, and shelters are able to keep up with increasing numbers of low-income working families, children, and seniors needing emergency food assistance.

Sincerely,

Vicki Escarra

Vicki B. Escarra
President and CEO

Mortgage Insurance Companies of America

October 31, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
United States House of Representatives
1100 Longworth House Office Building
Washington, DC 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
United States House of Representatives
1100 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rangel and Ranking Member McCrery:

I am writing on behalf of the Mortgage Insurance Companies of America (MICA) to express our support for H.R. 3996, which was introduced yesterday.

MICA represents the private mortgage insurance industry and we are particularly supportive of the provision which significantly extends the tax deduction for mortgage insurance. Mortgage insurance enables first time homebuyers and lower income families to purchase homes with less than a 20 percent down payment by insuring the holder of the mortgage against the risk of loss on the mortgage if it goes to default. As a result, mortgage insurers are on the same side of the transaction as the borrower. If the borrower defaults and the loan ultimately goes through foreclosure, the borrower loses his home and credit status and the mortgage insurer pays a claim. Therefore, mortgage insurers have a vested interested in making sure at the time of origination that the borrower can afford the home.

Making mortgage insurance tax deductible ensures that this safe vehicle for enabling deserving families to purchase homes with less than a 20 percent down payment is affordable.

1425 K Street, NW
Suite 210
Washington, DC 20005
(202) 682-2683
Fax (202) 842-9252

Additionally, mortgage insurance, like mortgage interest, is a cost of borrowing money and, therefore, is the equivalent of interest.

Thank you again for significantly extending the mortgage insurance deduction in your bill.

Sincerely,

Suzanne Hutchinson

Suzanne Hutchinson

cc: Janice Mays
John Buckley
Jon Traub
Jeff Ziarko
Joyce Meyer

# S-CORP

## THE S CORPORATION ASSOCIATION OF AMERICA

*"Defending America's Small and Family-Owned Businesses"*



***EMBARGOED until 12:00pm November 1, 2007***

November 1, 2007

The Honorable Ron J. Kind
U.S. House of Representatives
1406 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Kind,

Thank you for your efforts to extend the expiring provision in current law which allows S corporations shareholders to take into account their pro rata share of charitable deductions even if such deductions would exceed such shareholder's adjusted basis in the S corporation.

This law is important to many of America's S corporations, allowing them to be more active and supportive of needed charitable activities. Extending the law would be of great value to these businesses and the charities they support.

Thank you for your continued efforts on behalf of the S corporation community nationwide.

Sincerely,

Stephanie Silverman
President

805 15TH STREET, NW SUITE 650 • WASHINGTON, DC 20005 • PHONE: (202) 466-8700 • FAX: (202) 466-9666
WWW.S-CORP.ORG

***BROWNFIELD CLEAN UP AND RE-INVESTMENT COALITION***
**801 Pennsylvania Avenue, NW**
**Suite 720**
**Washington, DC 20005**
**202-639-8400**
**202-639-8442 fax**

October 30, 2007

Member
United States House of Representatives
Washington, DC 20515

Dear Representative:

The undersigned organizations urge you to support H.R. 1753 -- legislation introduced by Representatives Weller and Becerra to make permanent the expensing of environmental remediation costs associated with brownfields. At a minimum, we ask that you urge it be extended along with other expiring provisions

We appreciate last year's extension of Section 198 expensing for environmental clean up costs through 2007, enacted as part of the Tax Relief and Health Care Act of 2006. That Act also expands the coverage of the law to include petroleum contamination. This is a reflection of the broad, bipartisan support among Members of the Ways and Means Committee and the entire House that this policy enjoys. It has similar support in the Senate.

In every state in the country there are brownfields – areas blighted by run down, abandoned or under-utilized properties. We all have seen them … the shut down manufacturing facilities, abandoned warehouses and gas stations. On these properties once stood vibrant and productive enterprises, but changing times and events have drained their vitality and they are now in desperate need of revitalization and redevelopment. Before they can be re-developed, however, environmental contamination must be cleaned up.

The cost of this clean up – upwards of $500,000 to $1 million – can be a significant obstacle to re-development projects. How this cost is treated for tax purposes should not be another obstacle … but it is. H.R. 1753 would make minor changes to the Tax Code to remove these tax obstacles and help achieve the cleaning up and revitalizing of communities across America.

Specifically, H.R. 1753 would do two things:

- Make permanent Internal Revenue Code Section 198, which allows the expensing of brownfield clean up costs, but which currently sunsets at the end of 2007;
- Repeal the provision in the law that recaptures the expense deduction as taxable income when the property is sold.

The U.S. Conference of Mayors and the Government Accounting Office estimate that there are over 400,000 brownfield sites across the country. Many of these properties are languishing on municipal land rolls awaiting private sector buyers. According to a U.S. Conference of Mayors survey of 187 large and small cities throughout the nation, redevelopment of their existing brownfields would bring additional tax revenues of approximately $2 billion annually and could create up to 550,000 jobs.

Numerous brownfields are located in prime business locations near critical infrastructure, including transportation, and close to a productive workforce. Putting these sites back into productive use will generate good paying jobs and affordable housing in areas where they are most needed.

The time to act is now. Communities need to put abandoned, polluted sites back into productive use. Restoring and revitalizing these properties will drive economic growth, help provide affordable housing and successfully balance the development needs of communities with the goal of a clean, livable environment.

Please cosponsor H.R. 1753 by contacting Representative Weller or Becerra. Also, please contact Steve Renna, Senior Vice President and Counsel of The Real Estate Roundtable at 202-639-8400 with any questions. Thank you.

Sincerely,

**The Real Estate Roundtable**
**The Mortgage Bankers Association**
**The Associated General Contractors of America**
**National Apartment Association**
**National Multi Housing Council**
**National Association of Realtors**
**National Association of Real Estate Investment Trusts**
**National Association of Industrial and Office Properties**
**National Association of Home Builders**
**International Council of Shopping Centers**
**Building Owners and Managers Association International**
**Appraisal Institute**
**American Resort Development Association**
**American Land Title Association**
**American Institute of Architects**

November 1, 2007

Dear Representative:

We are writing to express our strong support for provisions in **H.R. 3996, the "Temporary Tax Relief Act of 2007"** that would repeal the IRS's authority to enter into contracts with private sector debt collectors and ensure that tax collection is kept in the professional and accountable hands of federal employees.

As you may know, under the IRS private tax collection plan, private collection agencies (PCAs) are eligible to keep 21% to 24% of what they collect, depending on the size of the case. In testimony before Congress, IRS officials have repeatedly acknowledged that using private collection companies to collect federal taxes is more expensive than having IRS do the work itself. During a May 23 Ways and Means Committee hearing the Acting Commissioner of the IRS once again confirmed that IRS employees could do this work more efficiently than the private contractors and acknowledged that the return on investment (ROI) from using IRS employees to collect these taxes is 13 to 1 while the ROI for PCAs is just 4 to 1.

Rather than continuing to spend money on this misguided program, we believe these funds should instead be used to hire additional IRS collection employees such as those in the Automated Collection System (ACS) who generally collect about $1.49 million per employee per year.

According to the National Taxpayer Advocate, if the IRS were to apply the $7.35 million in FY '08 funds to the ACS rather than the PCAs, the IRS would collect about $146 million based on average collections per employee. By comparison, the IRS projected that the PCAs would bring in just $88 million **minus commission payments** in FY'08. It is clear those projections will not be met.

In addition to being fiscally unsound, the idea of allowing private collectors to collect tax debt on a commission basis flies in the face of the tenets of the IRS Restructuring and Reform Act of 1998. Section 1204 of the law specifically prevents employees or supervisors at the IRS from being evaluated on the amount of collections they bring in.

The fear that allowing private collectors to collect tax debt on a commission basis would lead to contractor abuse was realized when the IRS recently confirmed that the agency had received more than five dozen taxpayer complaints against the PCAs, including violations of taxpayer privacy laws. In addition, concerns over taxpayer treatment recently led the IRS to terminate its contract with one of the three PCAs contracted to do collection work and penalties totaling $10,000 have been imposed by the IRS on the PCAs for taxpayer violations. In one instance, private collectors made 150 calls over the course of 27 days to the elderly parents of a taxpayer after the collection agency was notified he was no longer at that address. This is most disturbing considering that taxpayers contacted by PCA are significantly more likely to be low income, and unrepresented by tax professionals.

This is not the first time the IRS has tried to outsource the collection of federal income taxes. In 1996, the IRS attempted private tax collection with dismal results. The 1996 pilot program for private collection was so unsuccessful it was cancelled after 12 months, despite the fact it was authorized and scheduled to operate for two years. A subsequent review by the IRS Office of Inspector General found that contractors participating in the pilot programs regularly violated the Fair Debt Collection Practices Act, did not adequately protect the security of personal taxpayer information, and even failed to bring in a net increase in revenue.

With bi-partisan support, the House has repeatedly reiterated its opposition to the IRS private tax collection program, including earlier this month when the House overwhelmingly approved legislation that would revoke IRS' authority to outsource the collection of federal taxes.

Privatizing federal tax collection is a waste of taxpayer dollars, invites overly aggressive collection techniques and jeopardizes the financial privacy of American taxpayers. Therefore, we urge your support for provisions included in H.R. 3996, the "Temporary Tax Relief Act of 2007" that would end the IRS private tax collection program once and for all.

Sincerely,

**CONSUMER FEDERATION OF AMERICA**

**NATIONAL CONSUMER LAW CENTER**
**(On Behalf of Its Low Income Clients)**

**NATIONAL CONSUMERS LEAGUE**

**NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE (NAACP)**

**NATIONAL COUNCIL OF LA RAZA**

**NATIONAL ACTIVE AND RETIRED FEDERAL EMPLOYEES ASSOCIATION (NARFE)**

**NATIONAL TREASURY EMPLOYEES UNION (NTEU)**

National Headquarters
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San Antonio, Texas 78229
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HACU
HISPANIC ASSOCIATION OF COLLEGES & UNIVERSITIES

November 6, 2007

Honorable Charles B. Rangel
Chairman
House Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Honorable Jim McCrery
Ranking Member
House Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

**Re: Vote in Favor of H.R. 3996, the Temporary Tax Relief Act of 2007**

Dear Chairman Rangel and Ranking Member McCrery:

On behalf of the Hispanic Association of Colleges and Universities (HACU) and the 450 institutions and 262 Hispanic-Serving Institutions (HSIs) it represents, I am requesting your support for several provisions in H.R. 3996, the Temporary Tax Relief Act of 2007. The provisions include one-year extensions of the above-the-line deduction for qualified tuition; extension of the IRA Charitable Rollover; and a provision that would permit tax exempt organizations, including college and universities, to invest directly in domestic hedge funds without being subjected to the Unrelated Business Income Tax (UBIT).

We are extremely grateful that these provisions were included in this legislation and urge you to support the bill's final passage. Currently set to expire at the end of this year, the above-the-line deduction for qualified tuition and related expenses is an important tax provision. This tax benefit will allow Hispanics and other students or their parents who do not qualify for the Hope or Lifetime Learning tax credits to deduct qualified higher education expenses from their taxable income. Specifically, it provides for a \$4,000 deduction for single filers earning up to \$65,000 annually, and joint filers earning up to \$130,000 annually. The tuition deduction is important to both students and families investing in higher education, and helps allocate scarce resources and direct aid to the neediest students. This provision would especially impact Hispanic students, many of whom come from families who are economically disadvantaged or earn only modest incomes.

The IRA Charitable Rollover is a crucial tax provision also scheduled to expire this year. As part of the Pension Protection Act passed in August 2006, the IRA Charitable Rollover permits IRA owners starting at the age 70½ to make tax-free charitable gifts totaling up to \$100,000 per year from their IRAs directly to eligible charities. Since its enactment, the IRA Charitable Rollover has generated millions of dollars in new or increased contributions to help provide student aid and other needed investments in higher education. This provision serves as an incentive to much-needed donations to Hispanic-Serving Institutions.

The provision allowing tax exempt organizations to invest directly in domestic hedge funds without being subject to the Unrelated Business Income Tax (UBIT) would also be beneficial to HSIs. Although they enroll over half of all Hispanic students in college today, HSIs continue to be grossly under-funded and receive on average less than half of the federal funding per student, compared to other institutions of higher education.

We strongly support these tax provisions and particularly want to see an extension of the expiring tax incentives -- the qualified tuition deduction and IRA Rollover--this year. We urge you to support final passage of H.R. 3996, the Temporary Tax Relief Act of 2007, when it comes to the House floor later this week.

Sincerely,

Antonio R. Flores
President and CEO

cc: House Committee on Ways and Means
Congressional Hispanic Caucus
Congressman Xavier Becerra, Assistant to the Speaker
Congressman Rubén Hinojosa, Subcommittee Chairman, Higher Education, Lifelong Learning and Competitiveness
Congressional Hispanic Conference

Mortgage Insurance Companies of America

Suzanne C. Hutchinson
*Executive Vice President*

November 7, 2007

The Honorable Charles B. Rangel
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

The Honorable Sander M. Levin
Chairman
Trade Subcommittee
Committee on Ways and Means
United States House of Representatives
Washington, DC 20515

Dear Chairman Rangel and Chairman Levin:

I am writing on behalf of the Mortgage Insurance Companies of America (MICA) to express our support for H.R. 3996, the Temporary Tax Relief Act of 2007 and the provision which extends the tax deduction for mortgage insurance for seven years. We support this provision because it will make homeownership more affordable for lower income and first time homebuyers. The bill expands the deduction at a time when Congress and the mortgage industry are struggling to find ways to keep homeownership opportunities open to these families and this provision will go a long way towards doing that.

We also were pleased to see that the bill included language that allows the borrower to deduct the mortgage insurance premium for the life of the policy. This will create financial stability for the borrower which will ensure that this safe vehicle for enabling deserving families to purchase homes with less than a 20 percent down payment is affordable for the life of the loan.

Thank you once again.

Sincerely,

Suzanne Hutchinson

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Suite 210
Washington, D.C. 20005
(202) 682-2683
Fax (202) 842-9252

cc: Janice Mays
John Buckley
Jeff Ziarko