



Texas Society of
CPA Certified Public Accountants

June 13, 2011

The Honorable Lamar Smith
United States House of Representatives
Washington, DC 20510

Dear Congressman Smith:

On behalf of our 29,000 members in Texas, we are writing to express appreciation for your support for H.R. 1249, the America Invents Act, which will come before the full House of Representatives soon. **The legislation contains the provision in Section 13 that would stop the issuance of tax strategy patents.**

With your support, we can solve the problem of tax strategy patents once and for all for taxpayers and their advisers. We believe that this pro-taxpayer provision is an essential part of any patent reform initiative and we ask for you to specifically let the House leadership know that you support this provision.

Tax strategy patents undermine the integrity of our tax code and unnecessarily complicate compliance. As such, we have previously expressed great concern to lawmakers about this issue, and seek to ensure that our tax code is accessible to everyone, and that no one has a monopoly on a particular form of tax compliance. No taxpayer should risk litigation from a patent holder or be subject to royalties just for using the best means available to comply with Federal tax law.

Over the past several years, we have been advocating such legislation, in conjunction with a national coalition of taxpayer rights groups, consumer groups, financial planners, and public interest groups to resolve this problem.

As you know, there are currently over 140 tax strategy patents which have been issued and over 160 pending. The scope of these inappropriate patents is startling. Indeed, patents for tax planning methods have already been granted in a variety of areas, including the use of financial products, charitable giving, estate and gift tax, pension plans, tax-deferred exchanges, and deferred compensation. We are concerned that the range of these patents will only grow into other areas affecting everyday taxpayers.

There is broad, bipartisan, and growing support for this provision. Working together, we are confident we can fix this problem. It is the right thing to do and we are urging lawmakers to do everything they can to move H.R. 1249 quickly through the House and on to the President's desk for his signature. The Texas Society of CPAs thanks you for your hard work and for your advocacy of good tax policy on behalf of all taxpayers in Texas.

Sincerely,

Handwritten signature of Donna Wesling in cursive script.

Donna Wesling, CPA
Chairman

Handwritten signature of John M. Sharbaugh in cursive script.

John M. Sharbaugh
Executive Director/CEO

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