



October 06, 2017

The Honorable Thomas W. Reed
U.S. House of Representatives
2437 Rayburn House Office Building
Washington, DC 20515

The Honorable William J. Pascrell
U.S. House of Representatives
2370 Rayburn House Office Building
Washington, DC 20515

RE: "Permanent Disaster Tax Relief Provisions" in Title III of the National Disaster Relief Act of 2017 (H.R. 3679)

Dear Representatives Reed and Pascrell:

The American Institute of CPAs (AICPA) commends you on your continued efforts to provide permanent and consistent tax relief to individuals and businesses impacted by natural disasters. Specifically, we appreciate the "Permanent Disaster Tax Relief Provisions" introduced in Title III of the National Disaster Tax Relief Act of 2017 (H.R. 3679).

Although we cannot prevent disasters from occurring, predict when or where they will take place, or foresee the scope of damages that will result, it is evident that natural disasters will continue to regularly affect the Nation. Today, we see that victims in Texas, Florida, and Puerto Rico continue to wait for the flood waters from Hurricane Harvey, Hurricane Irma, and Hurricane Maria to fully recede. In January and February of this past year, severe storms and tornadoes affected Georgia, Mississippi and Louisiana. In April, Arkansas and Missouri were affected by storms and West Virginia experienced flooding, landslides, and mudslides this past July. Each year, events like these impact hundreds of thousands of victims as people across the United States witness the far-reaching effects of natural disasters.¹ Presently, the federal government addresses each of these occurrences as an isolated event, and relief offered through the tax system varies, for the most part, with each event. This process results in taxpayers receiving different treatment for similar losses and not knowing what tax treatment they will receive until Congress enacts some form of relief, which frequently occurs long after the disaster.

The AICPA is a long-time advocate of implementing permanent disaster tax relief provisions.² Without established relief through the tax system, these catastrophes can

¹ See FEMA's list of "Currently Declared Disasters" for states where Individual Assistance has been declared: <https://www.disasterassistance.gov/>.

² AICPA submitted comments in support of [Title III of the National Disaster Relief Act of 2015 \(H.R.3110\)](#), dated September 24, 2015. AICPA [submitted written statement for the record](#) to the U.S. House Ways and Means Committee Tax Policy Subcommittee hearing on "How Tax Reform Will Simplify Our Broken Tax Code and Help Individuals and Families," dated July 19, 2017. The AICPA [submitted a comment letter](#) to Chairman Hatch, of the U.S. Senate Committee on Finance, in response to a request for tax reform proposals on individuals, families, and tax administration, dated July 17, 2017. See AICPA brochure on "[Natural Disasters – The Case for Permanent Tax Relief](#)," published 2015.

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affect people's ability to pay their taxes. Therefore, we urge Congress to enact permanent tax provisions that would take effect immediately when a declaration of a federal disaster occurs, rather than providing delayed and possibly uneven tax relief through separate individual bills following each disaster. We believe the provisions included in Title III of H.R. 3679 would provide taxpayers with more certainty, fairness, and the ability to promptly receive the relief they need after a natural disaster, while significantly reducing the administrative burdens on the Internal Revenue Service (IRS) to react to unexpected disasters.

Additionally, we recommend³ that Congress grant the IRS specific authority to quickly postpone certain deadlines in response to state-declared disasters. This provision would allow the IRS to offer disaster victims the certainty they need as soon as possible.

In conclusion, our members appreciate and support the "Permanent Disaster Tax Relief Provisions" introduced in Title III of the National Disaster Tax Relief Act of 2017.

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The AICPA is the world's largest member association representing the accounting profession with more than 418,000 members in 143 countries and a history of serving the public interest since 1887. Our members advise clients on federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate the opportunity to provide comments on this important tax reform bill. If you have any questions, please contact me at (408) 924-3508 or annette.nellen@sjsu.edu; Donald Zidik, Chair, AICPA Individual & Self-Employed Tax Technical Resource Panel, at (617) 807-5175 or donald.zidik@marcumllp.com; or Amy Wang, Senior Manager – AICPA Tax Policy & Advocacy, at (202) 434-9264 or amy.wang@aicpa-cima.com.

Sincerely,



Annette Nellen, CPA, CGMA, Esq.
Chair, AICPA Tax Executive Committee

³ See item 13 of AICPA's written statement for the U.S. Senate Committee on Small Business & Entrepreneurship hearing on "[Tax Reform: Removing Barriers to Small Business Growth](#)," dated June 14, 2017.