

July 23, 2007



California
Society

Certified
Public
Accountants

The Honorable Max Baucus, Chair
Senate Finance Committee
United State Senate
Washington, DC 20510-2602

RE: H.R. 1908 Support
Patent Reform Act of 2007

Dear Senator Baucus:

We thank your Committee for considering H.R. 1908, legislation that would limit damages and other legal remedies available to holders of patents for tax planning methods.

With over 60 tax strategy patents already granted, and 86 applications pending, this is a growing problem.

We oppose such tax strategy patents because they:

1. Mislead taxpayers into the belief that a patented strategy is valid under the Internal Revenue Code when, in fact, a patented strategy offers no additional assurance of compliance with the Internal Revenue Code.
2. Complicate the government's administration of the Internal Revenue Code.
3. Make taxpayer compliance more difficult.
4. May cause many taxpayers to pay more tax than other taxpayers in identical circumstances.

The Committee on Taxation representing 31,000 members of the California Society of Certified Public Accountants joins the 330,000 member American Institute of Certified Public Accountants and others in encouraging the adoption of H.R. 1908 in the interest of uniform application of the Internal Revenue Code.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daniel Crosbie".

Daniel Crosbie, Chair
Committee on Taxation, California Society of CPAs

1201 K Street
Suite 1000
Sacramento, CA
95814-3922

(916) 441-5351
FAX (916) 441-5354
www.calcpa.org

cc: Honorable Charles E. Grassley, United State Senate
Committee on Taxation, CalCPA
Teresa Mason, Chair, CalCPA
Gregory Burke, First Vice Chair, CalCPA
Loretta Doon, CEO, CalCPA
Bruce Allen, Director, Government Relations, CalCPA
Jeannie Tindel, Director, Legislation, CalCPA