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April 18, 2016

The Honorable Rob Portman
United States Senate
448 Russell Senate Office Building
Washington, DC 20510

Dear Senator Portman:

On behalf of the National Association of Manufacturers (NAM)—the largest manufacturing association in the United States representing manufacturers in every industrial sector and in all 50 states—thank you for your leadership in introducing much needed legislation (S.2809) to protect taxpayers from aggressive IRS audit practices.

The NAM appreciates your support for curbing a number of aggressive IRS audit practices that are of particular concern to manufacturers, including the IRS's unilateral decision to prevent businesses from having a fair and impartial hearing before the independent IRS Appeals Office. Blocking taxpayers from the appeals process forces them into costly and lengthy court cases to resolve a tax dispute. Importantly, your bill makes clear that the right to an appeal is available to those companies seeking an independent review of adjustments proposed by the examination division but is not available in cases where a taxpayer is pursuing frivolous tax positions identified under statute.

Additionally, we support provisions in the bill that will limit the use of designated summonses to cases where a taxpayer is uncooperative, preventing this process from being used as a tool to coerce a taxpayer to extend an audit past the statutorily allowed time frame.

Finally, manufacturers appreciate that the legislation prevents the IRS from continuing the practice of hiring outside law firms to assist in the income tax audit and investigation of a corporate taxpayer, including sworn interviews. The outsourcing of this inherently governmental function and the exposure of confidential and protected tax information to an outside entity is of great concern to manufacturers.

Thank you again for your leadership in proposing curbs to these aggressive practices being employed by the IRS today. We applaud your commitment to ensuring oversight of this agency and protecting taxpayers' rights.

Sincerely,

