



April 19, 2016

The Honorable Rob Portman
United States Senate
448 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Portman:

On behalf of the Small Business & Entrepreneurship Council (SBE Council) and its members across the nation, I am writing in support of your legislation to improve the protection of taxpayer rights, including for entrepreneurs.

SBE Council strongly agrees that, as you put it recently, we need legislation that “gives taxpayers the ability to appeal to the IRS Office of Appeals and ensures that the IRS can’t farm out audits of private taxpayer information to outside law firms.”

The independent IRS Appeals Office has been in existence for nearly 90 years, and its purpose is to settle tax disputes, and therefore avoid costly litigation for both taxpayers and the IRS. Unfortunately, without congressional approval, the IRS has grabbed the authority to decide whether a taxpayer must go to court to settle a tax dispute, as opposed to allowing access to the IRS Appeals Office. Being forced to endure an audit without end would be crippling for a small business owner. Your bill wisely would limit the IRS’s power to deny a taxpayer an appeal only when an abusive tax shelter is involved.

In addition, the recent use of private lawyers by the IRS to conduct examinations is deeply disturbing, and without precedent in the history of the IRS. How did this come about? Well, the agency quietly issued a temporary regulation – or a “clarification” – and simply moved forward without any public notice or comment period.

The costs to the American public for bringing in private lawyers to do work meant for officials who are accountable to the public are significant in dollar terms and in terms of lost or threatened taxpayer rights.

Small business owners do not have the resources to endure audits without end. They certainly do not have the resources to go up against a powerful \$1,000-an-hour legal team in a tax dispute. Indeed, it’s not hard to see how powerful, private attorneys doing the most complex and sensitive work of the IRS could lead to abuse and harassment, not to mention expensive legal bills.

Your legislation would put an end to this IRS practice of shifting audits of American taxpayers to outside private law firms.

SBE Council appreciates your continued efforts to protect American taxpayers, including the hard-working entrepreneurs and small business owners who continue to struggle to push economic growth and job creation forward.

Please feel free to contact SBE Council if we can help to further assistance, and thank you for your support of America's entrepreneurs.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Kerrigan". The signature is fluid and cursive, with the first name "Karen" and last name "Kerrigan" clearly distinguishable.

Karen Kerrigan
President & CEO