

Congress of the United States
Washington, DC 20515

December 4, 2008

The Honorable Henry M. Paulson, Jr.
Secretary, Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Secretary Paulson,

We write to express our strong concern regarding the suggestion, most recently expressed in a letter to Assistant Treasury Secretary Eric Solomon from the Institute of International Bankers dated November 14, 2008, that you may consider extending even further your earlier guidance that overrules established tax law. As you are no doubt aware, great concern over Notice 2008-83 has been expressed in both houses of Congress. Legislation reversing the guidance has been introduced in the House by Members of the Ways and Means Committee, including Congressman Doggett, Congressman Stark, Congressman McDermott, Congressman Lewis, Congressman Blumenauer, and Congressman Pascrell who join this letter. Legislation addressing this issue has also been introduced in the Senate.

We understand that you may receive requests to expand the scope of your guidance to other sectors; however, we strongly believe that you have already overstepped your authority in issuing the original guidance and urge you not to compound this mistake by further widening this illegal loophole. At a time when we should be working together to identify and limit tax loopholes, not creating--and then expanding them--this backdoor bailout is precisely the wrong approach. It is disappointing when those who are charged with administering the tax laws demonstrate this contempt for them.

Sincerely,

Hayd I Doggett
Pete V. Walsh

Jim McDermott
Michael Simpson

Shelley Gerber

Earl Blumenauer
Zoe Lofgren
John Lewis
Pete Stark