DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

March 18, 2022

Re: 20-cv-1169 (EGS) D.D.C.
FOIA 2020-03-082

Christine H. Monahan
American Oversight
1030 15th Street, NW, B255
Washington, DC 20005
christine.monahan@americanoversight.org

Dear Ms. Monahan:

This is the thirteenth response to the above-referenced Freedom of Information Act (FOIA) request to the Department of the Treasury (Treasury). The request asked for email communications sent by identified Treasury officials containing any of 43 separate terms related to the coronavirus from January 15, 2020 through the date of the search.

In accordance with the parties' agreed upon schedule, as memorialized in the October 30, 2020 Joint Status Report, this constitutes Treasury's thirteenth production in this case for March 2022. Treasury reviewed 75 documents (157 pages). Twenty-two documents were responsive (54 pages, attached hereto) and redactions were made pursuant to exemptions (b)(5) (deliberative process and Confidential Presidential Communications) and (b)(6) (protection of personal privacy). Fifty-three documents (103 pages) were non-responsive.

Treasury will continue to review and process documents and will provide another production not later than April 18, 2022.

If you have any questions, please contact Liam Holland in the Department of Justice at Liam.C.Holland@usdoj.gov.

Sincerely,

Richard S. Dodson

Richard S. Dodson
Senior Counsel
Office of the General Counsel
U.S. Department of the Treasury

RE: Rehab credit relief

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">

To: (b)(6) [redacted]@treasury.gov>, "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>

Date: Fri, 29 May 2020 17:29:10 -0400

Let's talk on Monday.

(b)(5) DP [redacted]

Thanks

From: (b)(6) [redacted]@treasury.gov>
Sent: Friday, May 29, 2020 5:01 PM
To: Kautter, David <David.Kautter@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Subject: Rehab credit relief

Last week we received the attached industry letter and letter from Sen Blumenauer (and others) requesting relief related to the rehab credit.

The relief relates specifically to an extension to the 24-month and 60-month periods by during which rehab work must occur. (60 months is for certain phased projects that meet various requirements). Notice 2020-23 provided some relief for those periods by postponing to July 15 any such periods that ended in the April 1 to July 14 window, but these recent requests are for a year.

They also request relief related a TCJA transition rule. As you know, TCJA changed the rehab credit from being claimed all in one year to ratably over five years. The transition rule allows people to still claim the credit all in one year for buildings owned or lease pre-2018 as long as the 24 and 60 month periods start no later than TCJA enactment. So for the 24 month period he transition rule will end on June 20.

(b)(5) DP [redacted]

Happy to discuss and/or prepare short briefer.

TCJA changed the HTC from an all-in-one-year credit to a ratable credit taken over five years and also provided a transition rule that kept the all-in-one-year credit available for buildings owned or leased on or before December 31, 2017. The 24-month substantial rehabilitation test was required to start not later than 180 days after enactment. Since TCJA was signed into law on December 22, 2017, the substantial rehabilitation test must be met by June 20, 2020 to claim the all-in-one-year credit.

RE: Monday, June 1, 2020

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Mon, 01 Jun 2020 08:36:54 -0400

Working from home is fine. I came in early and did not have a problem. Right now things are quiet. There is no debris in front of the building but I cannot see all that far up PA Ave. I need to leave around 2:00 PM anyway for a follow up visit with my (b)(6) [redacted]

From: Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Sent: Monday, June 1, 2020 7:59 AM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: Monday, June 1, 2020

Hi Dave,
Given the below, I think I am going to work remotely today. Please let me know of course if you prefer I come in.
Thanks, Jeff

From: TOC <TOC@treasury.gov>
Sent: Monday, June 1, 2020 12:00 AM
Subject: Monday, June 1, 2020

Colleagues –

In light of COVID-19, Treasury remains in ***mandatory telework status*** . Additionally, due to ongoing demonstrations, the White House Complex maintains an ***elevated security posture*** **.**

Employees should only come to Treasury tomorrow for essential duties. If staff must come to Treasury, they may only enter from the south end of East Executive Avenue using the 15th Street and Alexander Hamilton Place exit gate.

If you must come to the complex, keep your PIV badge hidden until you reach a U. S. Secret Service entry point. Upon departing the complex, ensure your PIV badge is put away.

Please be aware of the following safety precautions when arriving or departing the White House Complex:

- Lafayette Park and Pennsylvania Avenue are closed.

- To report an emergency, notify the Secret Service by calling (202) 962-6700.

Employees will continue to be advised of any updates.

Thank you,
Office of the ASM

Small Business Employment Shows Slight Improvement in May, But Remains Near Historic Low

From: "Inge, Thad" (b)(6) [redacted]
To: "Inge, Thad" [redacted]
Date: Tue, 02 Jun 2020 12:03:44 -0400

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good afternoon:

Earlier today, Paychex released its Small Business Employment Watch for May showing that while the COVID-19 pandemic continues to impact small business jobs, there was a slight improvement in May.

The full news release, which includes breakdowns by region, state, metro, and industry sector, is included below and is also attached.

Best,

Thad Inge
Government Relations
Paychex, Inc.
Office: (202) 507-6293
Mobile: (b)(6) [redacted]

News Release

PAYCHEX
HR | Payroll | Benefits | Insurance

911 Panorama Trail South • Rochester, NY 14625 • paychex.com

For Immediate Release

Small Business Employment Shows Slight Improvement in May, But Remains Near Historic Low

Rochester, N.Y. (June 2, 2020) – The latest Paychex | IHS Markit Small Business Employment Watch shows that employment growth improved slightly in May, up 0.25 percent, as stay-at-home orders eased in most states. Amid the economic impacts of the COVID-19 pandemic, the jobs index has fallen 3.95 percent year-over-year, most of which (3.52 percent) occurred in the past quarter. The transition back to work also resulted in a 5.33 percent one-month annualized increase in weekly hours worked after a sharp drop in April.

"May's results hint that the small business job market quickly hit its bottom with the extraordinary job loss in April," said James Diffley, chief regional economist at IHS Markit.

"While there are still many unknowns with the pace of recovery, the slight increase in employment numbers last month indicates that employers are starting to bring back employees who were furloughed or temporarily laid off during pandemic-related business closures," said Martin Mucci, Paychex president and CEO. "Funds received from the Paycheck Protection Program have been helpful in supporting some businesses to retain employees and an extension of the SBA's loan forgiveness timeline and different parameters would be a positive next step in flexibility to support business survival and recovery."

Methodology Note: Payroll data used to calculate the Small Business Jobs Index includes employers that have temporarily suspended operations but have kept employees active (yet unpaid) on their payroll records. If the national index was reflective of only workers currently being paid, it would result in a lower jobs index level for the month of May.

The report also includes regional, state, metro, and industry level analysis, showing:

- All regions in the U.S. experienced improvement in May. However, the increase in the Northeast was marginal, up 0.01 percent.
- With Florida's stay-at-home order lifted on May 4, the state's jobs index is more than one point higher than any other

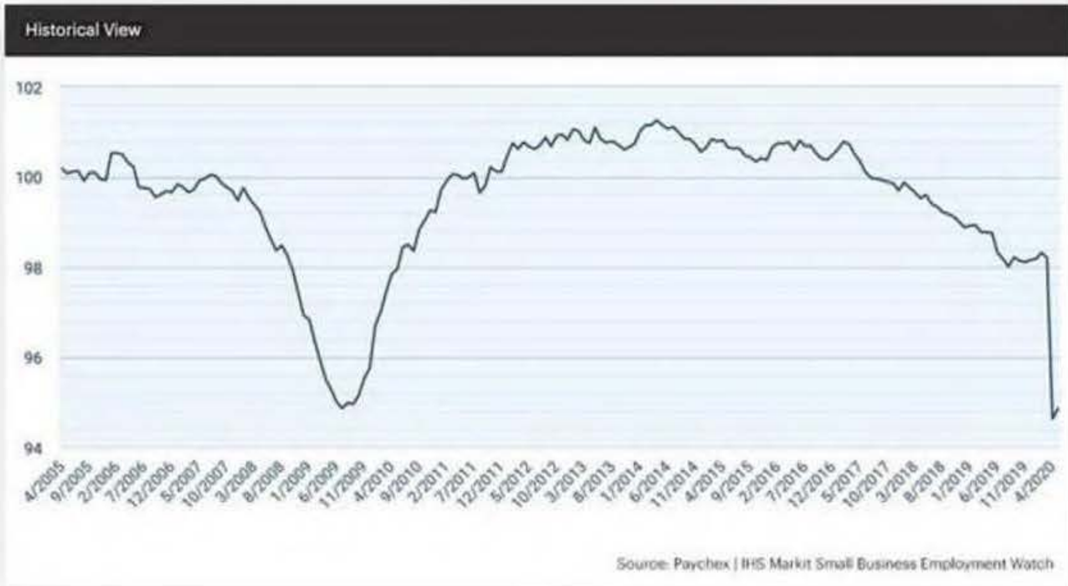
state.
- Of the 20 metros analyzed, 14 showed improvement in May, only six slowed further.
- Up 1.22 percent to 97.73, Construction reported significant recovery in May and becomes the new top-ranked industry index.

The complete results for May, including interactive charts detailing all data at a national, regional, state, metro, and industry level, are available at https://hyperlink.services.treasury.gov/agency.do?origin=www.paychex.com/employment-watch . Highlights are available below.

May 2020 Paychex | IHS Markit Small Business Employment Watch

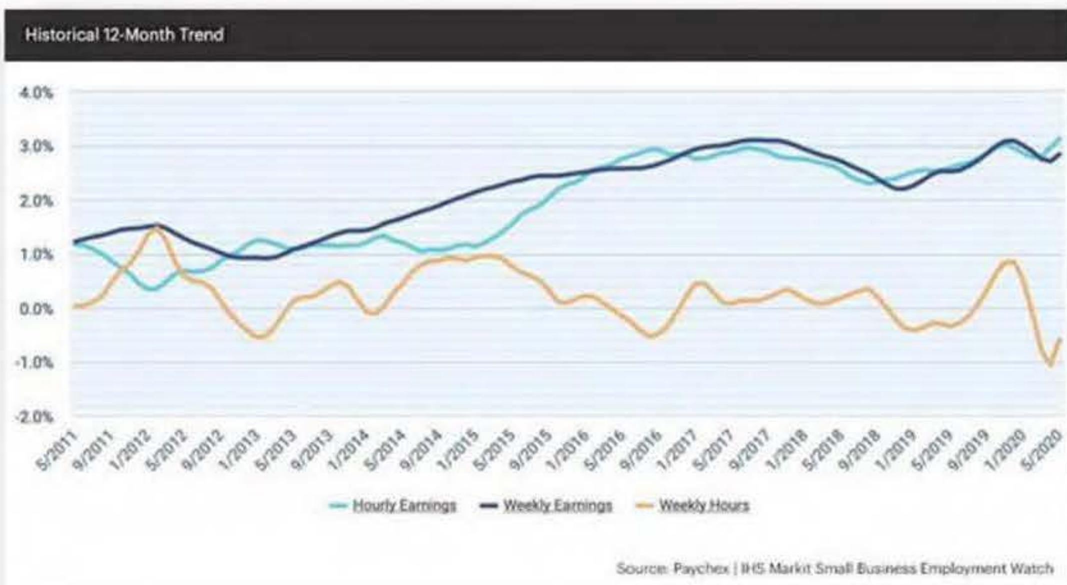
National Jobs Index

- As a result of the COVID-19 pandemic, the level of small business employment growth in May remained slightly below the weakest level reached during the Great Recession.
- With some small businesses beginning to reactivate workers, the national index increased slightly in May (0.25 percent).



National Wage Report

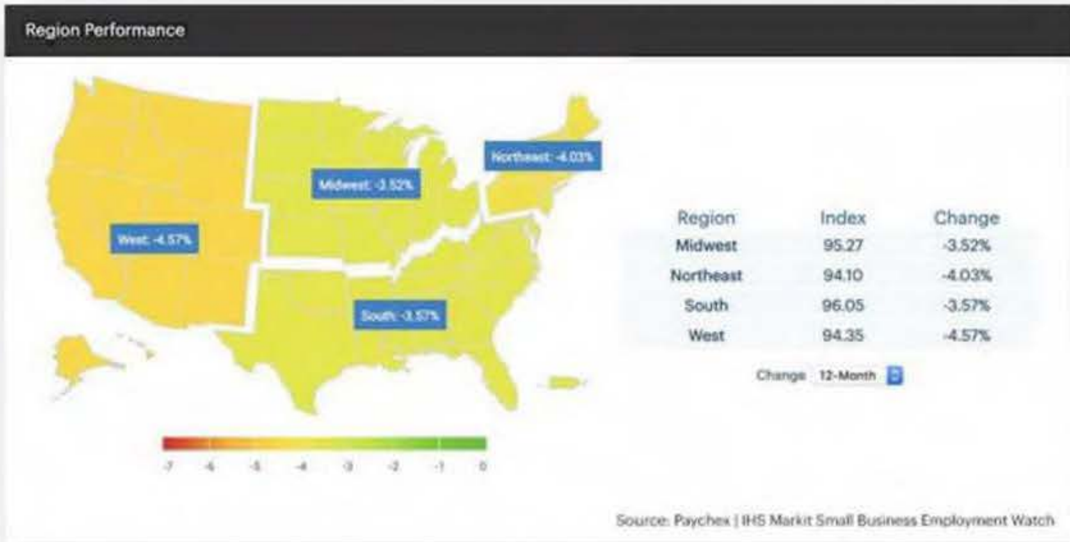
- After a significant decrease in weekly hours worked last month, the one-month annualized growth rate (based on the growth from April to May) increased to 5.33 percent.
- Due to the impact of COVID-19, the employee mix has shifted toward jobs with higher rates of pay, translating to hourly earnings growth increasing to 3.12 percent.



Regional Jobs Index

- All regions experienced improvement in May. However, the increase in the Northeast was marginal, up 0.01 percent.

- Gaining 0.40 percent from the previous month, the small business jobs index in the South increased to above 96.
- The West had the strongest gains in May, up 0.41 percent, yet its year-over-year change remains the weakest (-4.57 percent).



Note: Percentages displayed in the regional heat map reflect 12-month changes.

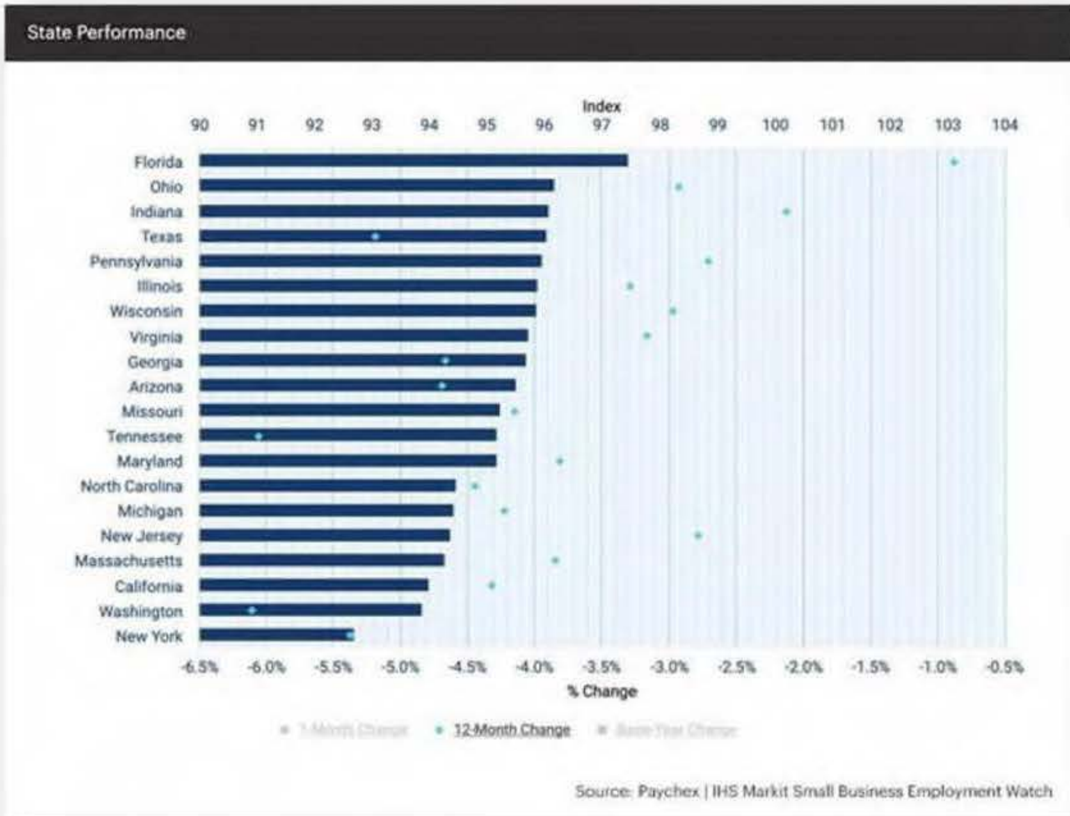
Regional Wage Report

- After reporting double-digit drops in one-month annualized weekly hours worked growth in March and April, the South regained some traction, increasing six percent.
- Weekly earnings growth slowed for the sixth consecutive month in the West as weekly hours worked have yet to recover.
- Hourly earnings growth increased to 3.89 percent in the Northeast, overtaking the West as the top-ranked region.

Note: Percentages displayed in the regional heat map reflect 12-month changes.

State Jobs Index

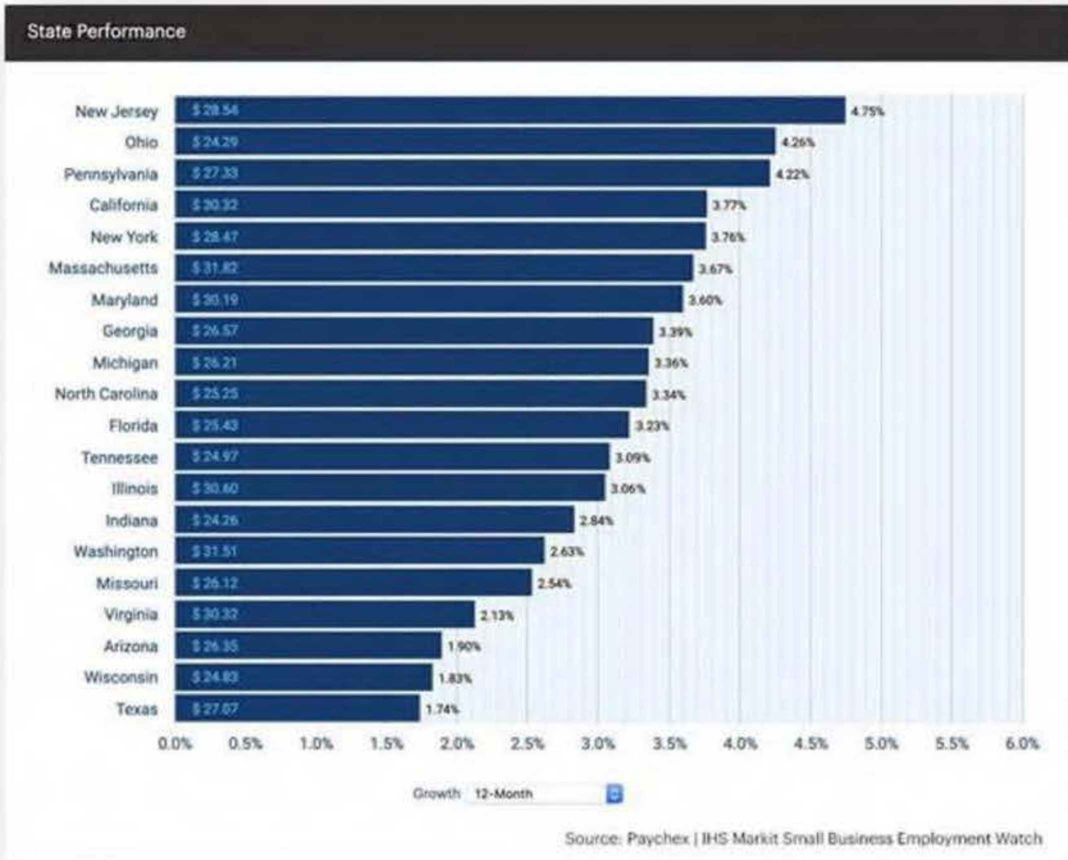
- With Florida's stay-at-home order lifted on May 4, the state's jobs index increased 0.90 percent reaching 97.48, more than one point higher than any other state.
- Other than Florida, all state indexes are below 97 and down more than two percent year-over-year.
- New York, the state considered the epicenter of COVID-19 in the U.S., saw its jobs index fall further in May to 92.17.



Note: Analysis is provided for the 20 largest states based on U.S. population. The chart's dark blue bars reflect the index level and the light blue diamonds reflect the 12-month change.

State Wage Report

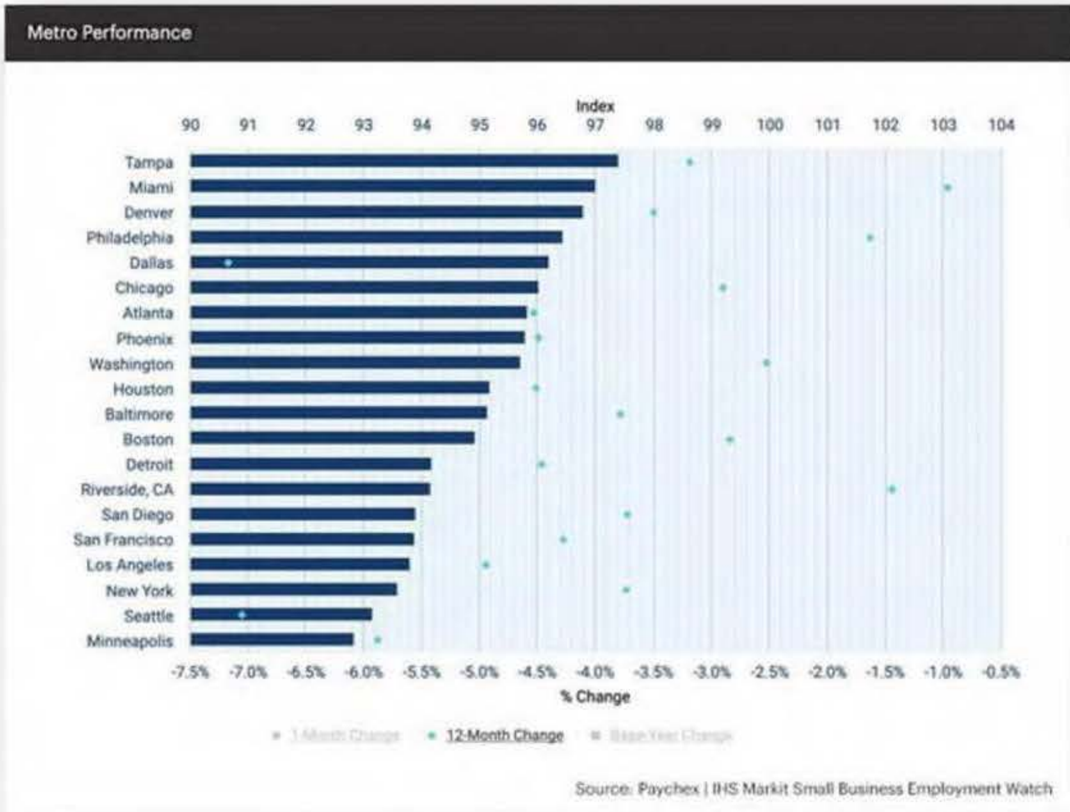
- At 4.75 percent, hourly earnings growth in New Jersey increased for the fourth consecutive month, topping the state rankings.
- With a decreased and different population of paid employees compared to several months ago, Massachusetts spiked in weekly earnings and hours worked.
- Texas is still decelerating as the state ranks last in all three wage components.



Note: Analysis is provided for the 20 largest states based on U.S. population.

Metropolitan Jobs Index

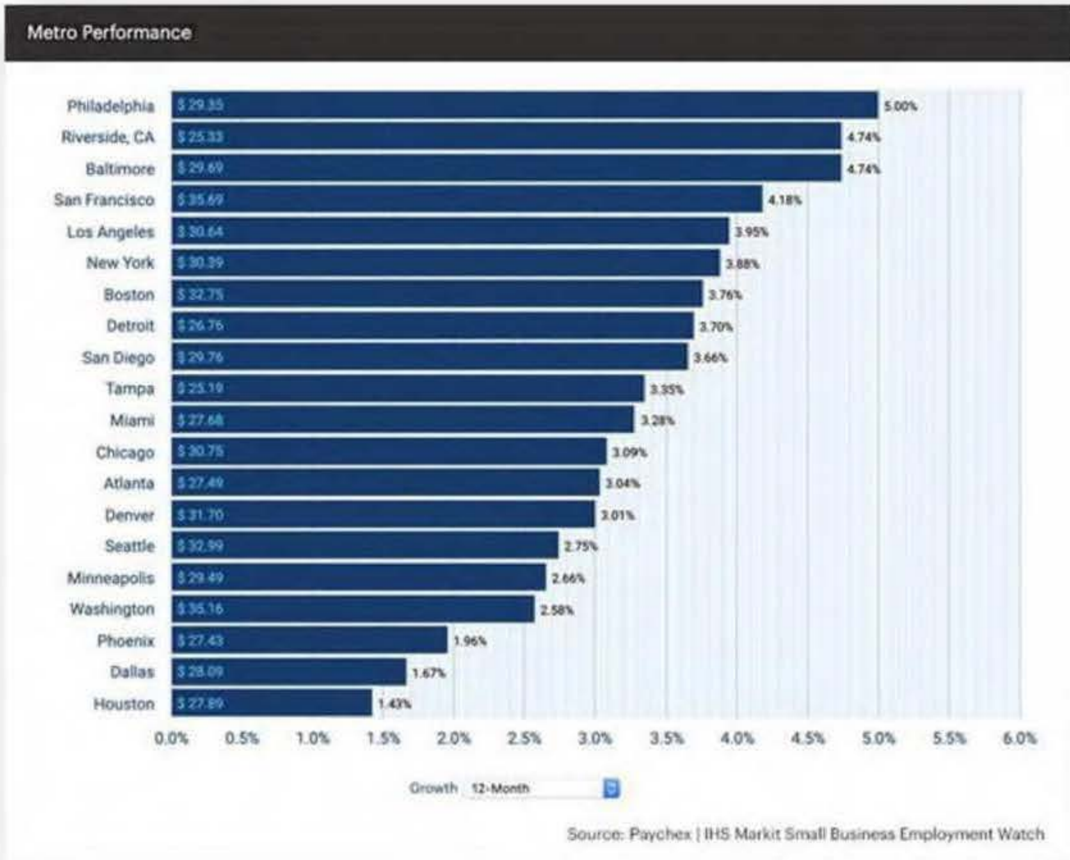
- Of the 20 metros analyzed, 14 showed improvement in May, only six slowed further.
- Tampa recovered 0.99 percent in May, improving to 97.42 and overtaking Denver as the top-ranked metro index.



Note: Analysis is provided for the 20 largest metro areas based on U.S. population. The chart's dark blue bars reflect the index level and the light blue diamonds reflect the 12-month change.

Metropolitan Wage Report

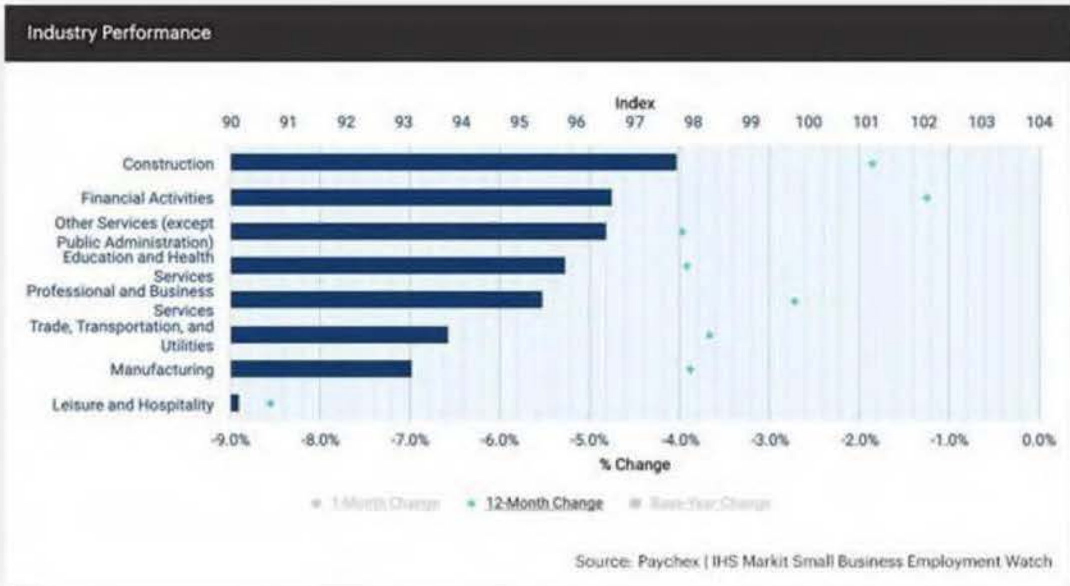
- Reporting the largest drop-off in weekly hours worked growth last month, the New York metro rebounded with the highest one-month annualized growth rate in May, 18.40 percent, as employees are working more hours in May compared to April.
- Reporting 5.00 percent year-over-year hourly earnings growth, Philadelphia climbed to the top of the state rankings.
- Houston and Dallas are both showing negative weekly earnings growth and hourly earnings growth below two percent.



Note: Analysis is provided for the 20 largest metro areas based on U.S. population.

Industry Jobs Index

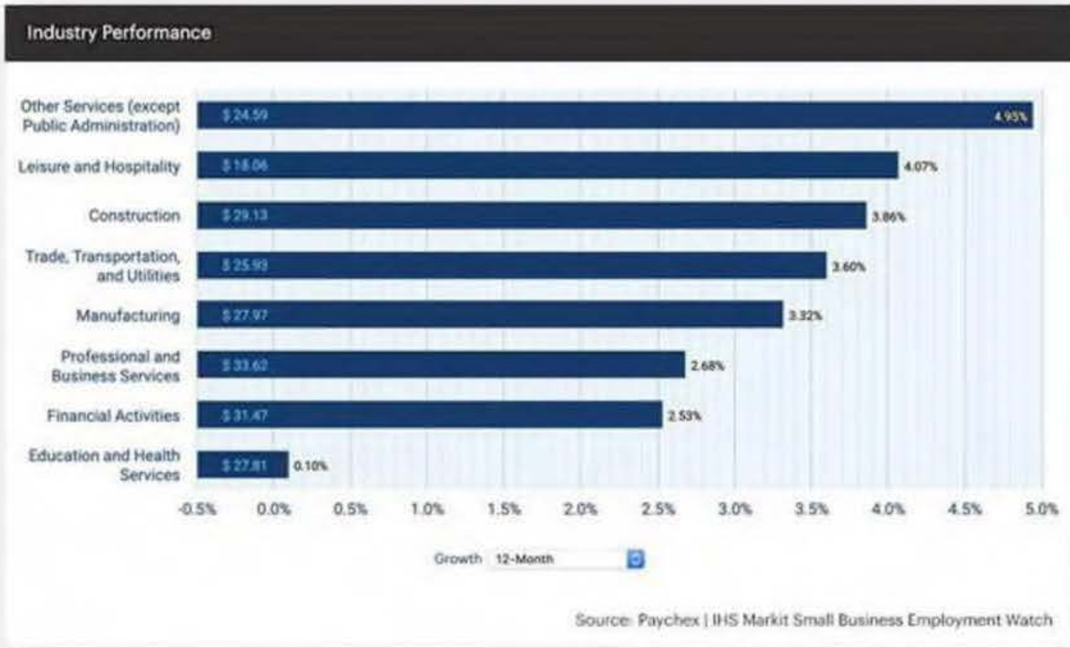
- Six of the eight industries analyzed showed improvement in May.
- The Leisure and Hospitality industry experienced additional decline in May, decreasing to 90.15. Its index is a full three points lower than the next weakest index, Manufacturing at 93.15.
- Up 1.22 percent to 97.73, Construction reported significant recovery in May and becomes the new top-ranked industry index.



Note: Analysis is provided for seven major industry sectors. Definitions of each industry sector can be found here . The Other Services (excluding Public Administration) industry category includes religious, civic, and social organizations, as well as personal services, including automotive and household repair, salons, drycleaners, and other businesses. The chart's dark blue bars reflect the index level and the light blue diamonds reflect the 12-month change.

Industry Wage Report

- Weekly hours worked growth is down 4.51 percent from last year in Leisure and Hospitality, weakest among sectors.
- Financial Activities is the only sector to report positive weekly hours worked from a year ago.



Note: Analysis is provided for seven major industry sectors. Definitions of each industry sector can be found here . The Other Services (excluding Public Administration) industry category includes religious, civic, and social organizations, as well as personal services, including automotive and household repair, salons, drycleaners, and other businesses.

For more information about the Paychex | IHS Markit Small Business Employment Watch, visit https://hyperlink.services.treasury.gov/agency.do?origin=www.paychex.com/employment-watch and sign up to receive monthly Employment Watch alerts.

**Information regarding the professions included in the industry data can be found at the Bureau of Labor Statistics website .*

About the Paychex | IHS Markit Small Business Employment Watch
The Paychex | IHS Markit Small Business Employment Watch is released each month by Paychex, Inc., a leading provider of payroll, human resource, insurance, and benefits outsourcing solutions for small-to medium-sized businesses, and IHS Markit, a world leader in critical information, analytics, and expertise. Focused exclusively on small business, the monthly report offers analysis of national employment and wage trends, as well as examines regional, state, metro, and industry sector activity. Drawing from the payroll data of approximately 350,000 Paychex clients, this powerful tool delivers real-time insights into the small business trends driving the U.S. economy.

About Paychex
Paychex, Inc. (NASDAQ: PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 45 years of industry expertise, Paychex serves approximately 670,000 payroll clients as of May 31, 2019 across more than 100 locations in the U.S. and Europe, and pays one out of every 12 American private sector employees. Learn more about Paychex by visiting https://hyperlink.services.treasury.gov/agency.do?origin=www.paychex.com , and stay connected on Twitter and LinkedIn
.

About IHS Markit (https://hyperlink.services.treasury.gov/agency.do?origin=www.ihsmarkit.com)
IHS Markit (NYSE: INFO) is a world leader in critical information, analytics and solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 business and government customers, including 80 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

###

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RE: (DJ) Employees Criticize Diamond Offshore for Cutting Pay Despite Cares Act Mone

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">

To: "Phelan, Peter" <peter.phelan@treasury.gov>

Date: Tue, 02 Jun 2020 20:40:31 -0400

Peter

Thanks for sending.

Dave

From: Phelan, Peter <Peter.Phelan@treasury.gov>
Sent: Tuesday, June 2, 2020 7:26 PM
To: Kautter, David <David.Kautter@treasury.gov>; McIntosh, Brent <Brent.McIntosh@treasury.gov>; Kranbuhl, Kipp <Kipp.Kranbuhl@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>
Subject: Fwd: (DJ) Employees Criticize Diamond Offshore for Cutting Pay Despite Cares Act Mone

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Employees Criticize Diamond Offshore for Cutting Pay Despite Cares Act Money
2020-06-02 23:16:51.834 GMT

By Becky Yerak

(Dow Jones) -- Diamond Offshore Drilling Inc. wants to cut the pay of one of its rig crews by more than 20%, despite reaping benefits from the government stimulus program and making plans to pay about $10 million in bonuses to senior managers, according to a court filing.

In a letter filed Monday in U.S. Bankruptcy Court in Houston, the crew of Diamond Offshore's ultra-deep-water Ocean BlackRhino drilling ship said the bankrupt company wants to cut their pay by at least 20%.

That pay cut is unwarranted, according to the letter, particularly because the Houston-based contract driller, which filed for chapter 11 bankruptcy in April, is benefiting from the federal Coronavirus Aid, Relief and Economic Security Act, or Cares Act.

The letter says it is written by a longtime Diamond Offshore employee currently stationed on the BlackRhino. The vessel, which can house 210 people, is in the Gulf of Mexico, according to vessel-tracking website MarineTraffic.com. It most recently worked with energy company Hess Corp.

The Cares Act, among other things, increases companies' ability to use net operating losses to reduce their tax burdens. As a result, Diamond has recognized a $9.7 million tax benefit, according to a recent Securities and Exchange Commission filing.

That mirrors the amount that Diamond Offshore is asking a judge to allow it to pay in bankruptcy bonuses to top executives.

If the company meets certain targets in bankruptcy, nine top employees could receive $9.7 million, a court filing said. If it surpasses those targets, they could receive $14.5 million, including $7.5 million going to Chief Executive Marc Edwards.

A representative for Diamond Offshore declined to comment Tuesday about the incentive plan.

In total, if Diamond Offshore meets certain targets, the company wants court approval to pay $16.7 million to about 85 of its roughly 2,300 full-time employees.

Loews Corp. owns a majority stake in Diamond Offshore, which had revenue of $981 million last year.

Diamond Offshore said it sought protection from creditors as the downturn in the offshore oil industry worsened because of the coronavirus pandemic and the price war between the Organization of the Petroleum Exporting Countries and Russia.

--Patrick Fitzgerald contributed to this article.

Write to Becky Yerak at becky.yerak@wsj.com

(END) Dow Jones Newswires

Fwd: Call with James K. Kamsickas, Chairman and CEO of Dana Incorporated.

Where:	Call
When:	Wed Jun 03 12:00:00 2020 (America/New_York)
Until:	Wed Jun 03 12:30:00 2020 (America/New_York)
Organiser:	"Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
Required Attendee:	"Phelan, Peter" <peter.phelan@treasury.gov>
Attachments: Letter to Secretary Mnuchin 5.20.20.pdf (252.67 kB)	

From: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Date: June 3, 2020 at 12:00:00 PM EDT
To (b)(6) [redacted]@treasury.gov>, Clark, Joseph <Joseph.Clark2@treasury.gov>
Subject: Call with James K. Kamsickas, Chairman and CEO of Dana Incorporated.

Dial- in Number (b)(6) [redacted]

Participant access code: (b)(6) [redacted]

If busy: 866 (b)(6) [redacted]

I am writing on behalf of James K. Kamsickas, Chairman and CEO of Dana Incorporated. Mr. Kamsickas would like to request the opportunity to speak with Secretary Mnuchin regarding the letter sent to the Secretary today from the Michigan Congressional Delegation and about the impact COVID-19 has had on the mobility parts supplier industry. (See https://www.peters.senate.gov/imo/media/doc/MI%20Delegation%20Letter%20Auto%20Suppliers%200512.pdf).

Founded in 1904, Dana Incorporated employs more than 36,000 people who are committed to delivering long-term value to their customers, which include nearly every vehicle manufacturer in the world. Based in Maumee, Ohio, USA, and with locations in 34 countries across six continents, the company reported sales of $8.6 billion in 2019.

RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>, "Kowalski, Daniel" <daniel.kowalski@treasury.gov>
Cc: [redacted]@treasury.gov>, [redacted]@treasury.gov>, [redacted]@treasury.gov>, [redacted]@treasury.gov>
Date: Wed, 03 Jun 2020 11:59:23 -0400

Nor do I

From: Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Sent: Wednesday, June 3, 2020 11:25 AM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Kowalski, Daniel <Daniel.Kowalski@treasury.gov>
Cc [redacted]@treasury.gov>[redacted]@treasury.gov>[redacted]@treasury.gov>;[redacted]@treasury.gov>
Subject: RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Thanks Krishna. I do not have any comments.

From: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Sent: Wednesday, June 3, 2020 10:02 AM
To: Kautter, David <David.Kautter@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>; Kowalski, Daniel <Daniel.Kowalski@treasury.gov>
Cc: [redacted]@treasury.gov>;[redacted]@treasury.gov>;[redacted]treasury.gov>;[redacted]@treasury.gov>
Subject: Fwd: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Please find attached the draft of the Opportunity Zone relief notice cleared by IRS this morning.

Please let me know if you have any comments. I will work with other DO offices to socialize the draft before I approve it for publication by the IRS.

Krishna P. Vallabhaneni
Tax Legislative Counsel
Office of Tax Policy
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220
Mobile: [redacted]
Email: krishna.vallabhaneni@treasury.gov

From: [redacted]l@treasury.gov>
Date: June 3, 2020 at 9:15:49 AM EDT
To: 'Giuliano Amy F' <Amy.F.Giuliano2@irs.gov>
Cc: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>, Paul, William M. <william.m.paul@irscounsel.treas.gov>, Moriarty, John P. <John.P.Moriarty@irscounsel.treas.gov>, Hanlon Bolton, Julie A. <julie.h.bolton@irscounsel.treas.gov>, Kribell, Wendy L. <Wendy.L.Kribell@irscounsel.treas.gov>, Tuczak, Robin M. <robin.m.tuczak@irscounsel.treas.gov>, Pflanz, Shareen S. <Shareen.S.Pflanz@irscounsel.treas.gov>, Griffin, Kyle C. <kyle.c.griffin@irscounsel.treas.gov>
Subject: RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Amy,

Thank you very much!

Best,

[redacted]

From: Giuliano Amy F <Amy.F.Giuliano2@irs.gov>
Sent: Wednesday, June 3, 2020 9:15 AM

To: (b)(6) [redacted]@treasury.gov>
Cc: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Paul, William M. <william.m.paul@irscounsel.treas.gov>; Moriarty, John P. <John.P.Moriarty@irscounsel.treas.gov>; Hanlon Bolton, Julie A. <julie.h.bolton@irscounsel.treas.gov>; Kribell, Wendy L. <Wendy.L.Kribell@irscounsel.treas.gov>; Tuczak, Robin M. <robin.m.tuczak@irscounsel.treas.gov>; Pflanz, Shareen S. <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin, Kyle C. <kyle.c.griffin@irscounsel.treas.gov>
Subject: RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

This COVID-19 relief related to opportunity zones is cleared for CIR. The IRS is ok with Treasury's edit below. Thanks!

From (b)(6) [redacted]@treasury.gov]
Sent: Tuesday, June 02, 2020 4:47 PM
To: Giuliano Amy F
Cc: Vallabhaneni Krishna - OTP; Paul William M; Moriarty John P; Hanlon-Bolton Julie; Kribell Wendy L; Tuczak Robin M; Pflanz Shareen S; Griffin Kyle C
Subject: RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Hi Amy,

Krishna has one revision, which is incorporated into the attached document and reflected in redline below for your convenience.

(b)(5) DP [redacted]

(b)(5) DP [redacted]

We would be happy to discuss this at your convenience. Thank you again for all of your help!

Best,

(b)(6) [redacted]

From: Tuczak Robin M <Robin.M.Tuczak@irscounsel.treas.gov>
Sent: Tuesday, June 2, 2020 10:45 AM
To: Giuliano Amy F <Amy.F.Giuliano2@irs.gov>
Cc: Paul, William M. <william.m.paul@irscounsel.treas.gov>; Moriarty, John P. <John.P.Moriarty@irscounsel.treas.gov>; Hanlon Bolton, Julie A. <julie.h.bolton@irscounsel.treas.gov>; Kribell, Wendy L. <Wendy.L.Kribell@irscounsel.treas.gov>; Pflanz, Shareen S. <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin, Kyle C. <kyle.c.griffin@irscounsel.treas.gov>; Campbell, Colin (b)(6) [redacted]@treasury.gov>
Subject: FW: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Amy – thanks for the quick IRS input and also taking the time to discuss this morning. Attached is a clean revised version of the draft notice for pink sheet clearance, as well as a tracked changes version with comments explaining the revisions. Let us know if you need anything else.

Robin M. Tuczak
Special Counsel, Income Tax & Accounting

(202) 317-4901

From: Tuczak Robin M
Sent: Friday, May 29, 2020 11:03 PM
To: Giuliano Amy F <Amy.F.Giuliano2@irs.gov>
Cc: Moriarty John P <John.P.Moriarty@irscounsel.treas.gov>; Hanlon-Bolton Julie <Julie.H.Bolton@IRSCOUNSEL.TREAS.GOV>; Pflanz Shareen S <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin Kyle C <Kyle.C.Griffin@IRSCOUNSEL.TREAS.GOV>; (b)(6) [redacted]@treasury.gov
Subject: FW: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Amy,

Bill Paul reviewed and cleared the attached draft notice; we are forwarding to you for review and approval. Also attached are the executive summary and pink sheet clearance sheet. Let us know if you have any questions.

Robin M. Tuczak
Special Counsel, Income Tax & Accounting
(202) 317-4901

From: Kribell Wendy L <Wendy.L.Kribell@irscounsel.treas.gov>
Sent: Friday, May 29, 2020 3:30 PM
To: Tuczak Robin M <Robin.M.Tuczak@irscounsel.treas.gov>
Cc: Desmond Michael J <Michael.J.Desmond@irscounsel.treas.gov>; Moriarty John P <John.P.Moriarty@irscounsel.treas.gov>; Hanlon-Bolton Julie <Julie.H.Bolton@IRSCOUNSEL.TREAS.GOV>; Pflanz Shareen S <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin Kyle C <Kyle.C.Griffin@IRSCOUNSEL.TREAS.GOV>; Colin.Campbell@treasury.gov; Giuliano Amy F <Amy.F.Giuliano2@irs.gov>; Paul William M <William.M.Paul@IRSCOUNSEL.TREAS.GOV>
Subject: RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Hi Robin,

Bill has cleared this for CC. I've attached a copy of CC Notice 2020-005, which provides procedures related to electronic clearance and digital signatures for Office of Chief Counsel documents and regulations. Please update the clearance sheet to reflect clearance as provided in the notice. If you have any questions, please let me know.

Thanks,
Wendy

From: Tuczak Robin M <Robin.M.Tuczak@irscounsel.treas.gov>
Sent: Friday, May 29, 2020 3:03 PM
To: Paul William M <William.M.Paul@IRSCOUNSEL.TREAS.GOV>
Cc: Desmond Michael J <Michael.J.Desmond@irscounsel.treas.gov>; Moriarty John P <John.P.Moriarty@irscounsel.treas.gov>; Hanlon-Bolton Julie <Julie.H.Bolton@IRSCOUNSEL.TREAS.GOV>; Pflanz Shareen S <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin Kyle C <Kyle.C.Griffin@IRSCOUNSEL.TREAS.GOV>; Colin.Campbell@treasury.gov; Kribell Wendy L <Wendy.L.Kribell@irscounsel.treas.gov>
Subject: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Bill,

Attached is a clean version of the OZ COVID-19 Notice for your approval, as well as the executive summary, and pink clearance sheet for your signature. Krishna confirmed that Treasury agrees with your revision on p. 7. IT&A agrees as well.

Robin M. Tuczak
Special Counsel, Income Tax & Accounting
(202) 317-4901

From: Kribell Wendy L <Wendy.L.Kribell@irscounsel.treas.gov>
Sent: Friday, May 29, 2020 1:07 PM
To: Hanlon-Bolton Julie <Julie.H.Bolton@IRSCOUNSEL.TREAS.GOV>; Paul William M <William.M.Paul@IRSCOUNSEL.TREAS.GOV>
Cc: Tuczak Robin M <Robin.M.Tuczak@irscounsel.treas.gov>; Pflanz Shareen S <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin Kyle C <Kyle.C.Griffin@IRSCOUNSEL.TREAS.GOV>; Colin.Campbell@treasury.gov
Subject: RE: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Hi Julie,

Bill has one suggested edit (b)(5) DP [redacted] Please provide a clean copy in the next round and also copy Mike Desmond. Please let me know if you have any questions.

Thanks!

Wendy

From: Hanlon-Bolton Julie <Julie.H.Bolton@IRSCOUNSEL.TREAS.GOV>
Sent: Friday, May 29, 2020 6:47 AM
To: Paul William M <William.M.Paul@IRSCOUNSEL.TREAS.GOV>
Cc: Kribell Wendy L <Wendy.L.Kribell@irscounsel.treas.gov>; Tuczak Robin M <Robin.M.Tuczak@irscounsel.treas.gov>; Pflanz Shareen S <Shareen.S.Pflanz@irscounsel.treas.gov>; Griffin Kyle C <Kyle.C.Griffin@IRSCOUNSEL.TREAS.GOV>; (b)(6) [redacted]@treasury.gov
Subject: NOT-109365-20 COVID-19 Relief Related to Ozones pink sheet clearance 05 27 2020 (002) (DCC 5.28) (KPV).docx

Bill:
We shared your comments with Treasury, and Krishna has replied to your comments overnight. Hopefully, this helps. Let Robin and I know if there are still outstanding issues.
Thanks,
Julie

Fwd: OECD Proposals

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: Secretary Mnuchin [redacted]
Cc: "McEntee, Zachary" <zachary.mcentee@treasury.gov>
Date: Thu, 04 Jun 2020 14:50:04 -0400
Attachments: Proposal for a Phased Implementation of Amount A.pdf (161.45 kB); Draft Proposal on Pillar Two.docx (31.5 kB)

Fysa. Will set up time to discuss.

From: (b)(6) [redacted]@treasury.gov>
Date: June 4, 2020 at 1:21:59 PM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Cc: Kautter, David <David.Kautter@treasury.gov>, (b)(6) [redacted]@treasury.gov>
Subject: OECD Proposals

Justin,

This morning we received two proposals on the direction of future OECD talks.

(b)(5) DP [redacted]

(b)(5) DP [redacted]

(b)(5) DP [redacted] and renewing the Secretary's proposal to put all discussion on hold during the COVID-19 and economic crisis. (b)(5) DP [redacted]

(b)(5) DP [redacted]

(b)(5) DP [redacted]

Please let me know when you would like to discuss.

Thanks,

(b)(6) [redacted]

RE: Access Technology Affordability Act (H.R. 2086/S. 815) and COIVD-19

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">

To: (b)(6) [redacted]@treasury.gov>

Date: Thu, 04 Jun 2020 19:45:20 -0400

(b)(5) DP [redacted]

Thanks

From (b)(6) [redacted]@treasury.gov>
Sent: Thursday, June 4, 2020 8:43 AM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: Access Technology Affordability Act (H.R. 2086/S. 815) and COIVD-19

(b)(5) DP [redacted]

From: (b)(6) [redacted]@treasury.gov>
Sent: Thursday, June 4, 2020 8:32 AM
To: (b)(6) [redacted]@treasury.gov>
Subject: FW: Access Technology Affordability Act (H.R. 2086/S. 815) and COIVD-19

Hey (b)(6 [redacted]

Has Dave forwarded this to you? In the meantime, I can consult with Mike to see if he'll be involved too since they are all deep in this COVID-19 stuff.

From: Pare, John <JPare@nfb.org>
Sent: Wednesday, June 3, 2020 1:40 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: (b)(6) [redacted]@treasury.gov>
Subject: Access Technology Affordability Act (H.R. 2086/S. 815) and COIVD-19

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Dear Mr. Kautter:

I met with you earlier this year to discuss the Access Technology Affordability Act (H.R. 2086/S. 815). This legislation would create a refundable tax credit for qualified access technology for blind people. We are up to 91 cosponsors in the House and 22 in the Senate. As we discussed in our meeting the bill enjoys broad bipartisan, bicameral support.

I am hoping you would have a few minutes to discuss next step over the phone. I have taken the liberty to copy Aeisha in the hopes she can find a time.

The need for this legislation has grown significantly as a result of COVID-19. Here are some examples:

Education:
K-12 students get much of their hardcopy Braille from their schools. With students at home and schools closed, this is no longer possible. Students need to have Braille embossers at home, which are much more expensive and harder to find than traditional printers. In addition, students need access to refreshable Braille displays and specialized laptop-type devices known as Braille notetakers. While a few blind students own these items, most do not. Instead these students use equipment owned by their school, which they typically cannot bring home, as they may not be the only student using it. COVID-19 has therefore denied them access to this equipment. Students who go without these essential Braille devices will quickly fall behind with little hope of catching up. Braille is literacy for these students; it is how they read and write, as well as handle complex subjects like advanced mathematics and science.

The Access Technology Affordability Act would help blind students get the equipment they need to learn and keep up with their non-disabled classmates during the COVID-19 pandemic.

Employment:
According to the 2017 American Community Survey, 69.5% of blind Americans who self-identify as having a visual disability are either unemployed or underemployed. At the same time companies are hiring more people than ever to work from home.

Frequently, these jobs are a great fit for blind Americans. However, blind Americans need the access technology at home to search for, apply for, and then maintain at-home technology-based employment.

The Access Technology Affordability Act would help blind employees and job-seekers get the equipment they need to gain and then retain employment during the COVID-19 pandemic.

Independent Living:
Many blind Americans rely in part on a network of friends and family to help with all of the tasks needed to run a household in lieu of expensive technology. They might live alone or be married to another blind person. It's not that a blind person cannot live alone, they certainly can, but COVID-19 has made self-sufficiency essential in order to limit visitors and maintain social distancing. In order to be self-sufficient, one must have the necessary technological tools to perform essential tasks like, for example, reading and paying bills. Just as in education or work, Braille devices and screen reading software are essential tools for an independent blind person.

The Access Technology Affordability Act would help blind Americans get the equipment they need to maintain social distance during the COVID-19 pandemic.

The bottom line is COVID-19 has made access technology in one's home absolutely essential.

In addition to the health concerns—many blind Americans are at high risk due to diabetes—COVID-19 has had a severe impact on the education of blind students, employment of working age blind Americans, and independent living.

Warm regards,

John

John G. Paré Jr.
Executive Director for Advocacy and Policy
National Federation of the Blind
200 East Wells Street
Baltimore, MD 21230
Telephone: (410) 659-9314, extension 2218
Cell phone: (b)(6) [redacted]
Email: jpare@nfb.org

The National Federation of the Blind is a community of members and friends who believe in the hopes and dreams of the nation's blind. Every day we work together to help blind people live the lives they want.

Re: Stunning jobs report

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">

To: "Faulkender, Michael" <michael.faulkender@treasury.gov>, "Patel, Bimal" <bimal.patel@treasury.gov>, "Greenstein, Jonathan" <jonathan.greenstein@treasury.gov>, "Laughton, Steven" <steven.laughton@treasury.gov>, [redacted] @treasury.gov>, [redacted] @treasury.gov>, "Froman, Eric" <eric.froman@treasury.gov>, "Clark, Joseph" <joseph.clark2@treasury.gov>, "Fasnacht, Randall" <randall.fasnacht@treasury.gov>, "Nunnally, Lauren" <lauren.nunnally@treasury.gov>, "Vaughan, Frederick" <frederick.vaughan@treasury.gov>

Cc: "Callanan, Brian" <brian.callanan@treasury.gov>, "Kowalski, Daniel" <daniel.kowalski@treasury.gov>, "Morrissey, Brian" <brian.morrissey@treasury.gov>

Date: Fri, 05 Jun 2020 09:50:27 -0400

Yes, the team's hard work has made a real difference in the lives of millions of Americans. Thank you for your dedication to our mission.

From: Faulkender, Michael <Michael.Faulkender@treasury.gov>
Date: June 5, 2020 at 9:44:14 AM EDT
To: Patel, Bimal <Bimal.Patel@treasury.gov>, Greenstein, Jonathan <Jonathan.Greenstein@treasury.gov>, Laughton, Steven <Steven.Laughton@treasury.gov>, [redacted] @treasury.gov>, [redacted] @Treasury.gov>, Froman, Eric <Eric.Froman@treasury.gov>, Clark, Joseph <Joseph.Clark2@treasury.gov>, Fasnacht, Randall <Randall.Fasnacht@treasury.gov>, Nunnally, Lauren <Lauren.Nunnally@treasury.gov>, Vaughan, Frederick <Frederick.Vaughan@treasury.gov>
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Callanan, Brian <Brian.Callanan@treasury.gov>, Kowalski, Daniel <Daniel.Kowalski@treasury.gov>, Morrissey, Brian <Brian.Morrissey@treasury.gov>
Subject: Stunning jobs report

Hi PPP Team,

This morning's jobs report is amazing. Rather than losing 8 million jobs in May (as expected), we saw an increase of 2.5 million jobs. Instead of the unemployment rate rising to nearly twenty percent, it fell to 13.3 percent. Manufacturing saw a return of 225K jobs and construction a return of 464K job. The services sector saw 2.4 million Americans return to payroll. These results speak to the success of the PPP bringing Americans back to their employers and the enormous success relieving the economic pressure on US households from the pandemic.

Thanks for everybody's work on this important program.

Mike

Michael Faulkender | O: 202-622-0563 | C[redacted] | Michael.Faulkender@treasury.gov
Assistant Secretary | Office of Economic Policy | U.S. Department of Treasury
1500 Pennsylvania Ave., NW, Washington, D.C. 20220

RE: FOR APPROVAL: WSJ inbound

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Crowley, Monica" <monica.crowley@treasury.gov>, (b)(6) [redacted]@treasury.gov>
Date: Fri, 05 Jun 2020 10:24:54 -0400

I am good with this.

(b)(5) DP [redacted]

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Sent: Friday, June 5, 2020 10:18 AM
To: (b)(6) [redacted]@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>
Subject: Re: FOR APPROVAL: WSJ inbound

My edits below:

From: (b)(6) [redacted]@treasury.gov>
Date: June 5, 2020 at 9:25:15 AM EDT
To: Crowley, Monica <Monica.Crowley@treasury.gov>, Kautter, David <David.Kautter@treasury.gov>
Subject: FOR APPROVAL: WSJ inbound

Monica and Dave, see below draft Rettig response for the a Rubin-WSJ piece (detailed below). My edited version here:

(b)(5) DP [redacted]

From: Lemons Terry L <Terry.L.Lemons@irs.gov>
Date: June 4, 2020 at 6:32:14 PM EDT
To: (b)(6) [redacted]@treasury.gov>, Reynolds Jodie M <Jodie.M.Reynolds@irs.gov>, Eldridge, Michelle L. <Michelle.l.eldridge@irs.gov>
Subject: WSJ inbound

Trish - Rich Rubin is working a story anticipated for Saturday's Wall St. Journal. He's been calling various people in the tax community; sounds like the story is on a pretty good trajectory.

Storyline is shaping up along the lines of ... the IRS is nearly done sending out EIPs. That worked pretty well. Now it faces countless decisions about when and how to re-open and if relief measures need extended or can the agency begin to return to normal enforcement etc.

(b)(5) DP [redacted]

Re: Opening Up Treasury (Move to Phase 1)

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: "Eisner, David" <david.eisner@treasury.gov>
Date: Sat, 06 Jun 2020 19:03:51 -0400

That's more important. Don't worry about work. We will cover.

From: Eisner, David <David.Eisner@treasury.gov>
Date: June 6, 2020 at 6:15:52 PM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: Re: Opening Up Treasury (Move to Phase 1)

Thank you

(b)(6) [redacted]

DE

DELIBERATIVE AND PREDECISIONAL
David F. Eisner | 202-622-1870

From: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Date: June 6, 2020 at 6:09:15 PM EDT
To: Eisner, David <David.Eisner@treasury.gov>
Subject: Re: Opening Up Treasury (Move to Phase 1)

Good memo. Thanks.

From: Eisner, David <David.Eisner@treasury.gov>
Da[redacted]T
To: Secretary Mnuchin [redacted]
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Myers, Baylor <Baylor.Myers@treasury.gov>, McEntee, Zachary <Zachary.McEntee@treasury.gov>
Subject: Re: Opening Up Treasury (Move to Phase 1)

Thank you

DELIBERATIVE AND PREDECISIONAL

David F. Eisner | 202-622-1870

From: Secretary Mnuchin [redacted]
Date: June 6, 2020 at 5:44:06 PM EDT
To: Eisner, David <David.Eisner@treasury.gov>
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Myers, Baylor <Baylor.Myers@treasury.gov>, McEntee, Zachary <Zachary.McEntee@treasury.gov>
Subject: Re: Opening Up Treasury (Move to Phase 1)

Approved

From: Eisner, David <David.Eisner@treasury.gov>
Date: [redacted]
To: Secretary Mnuchin [redacted]
Cc: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Myers, Baylor <Baylor.Myers@treasury.gov>, McEntee, Zachary <Zachary.McEntee@treasury.gov>
Subject: Fwd: Opening Up Treasury (Move to Phase 1)

MEMORANDUM FOR THE SECRETARY

FROM David Eisner

Assistant Secretary for Management

SUBJECT Treasury return to workplace strategy and transition to Phase 1

(Cleared by OGC)

Proposal: for your approval

Transition Departmental Offices (DO) to Phase 1 on Monday, June 15, 2020. Provide employees notice on Monday, June 8.

Background

The *Guidelines for Opening up America Again* recommends a three-phase approach to our operating posture, and the process and criteria (state/local conditions, decline in the number of confirmed cases, etc.) for each phase-change.

Treasury Management has, in accordance with OMB/OPM M-20-23 *Aligning Agency Operations with the National Guidelines for Opening Up America Again*, developed a framework for reopening Treasury that includes our phased approach (phase 1: Maximum Telework, Phase 2: Increased Flexibilities, phase 3: Optimized Operations), a supervisory guide, and a workspace and contact tracing policy. While we have not yet provided these written materials to Treasury bureaus (in clearance and subject to your final approval), we have coordinated with bureau leadership throughout the pandemic response and have advised them to follow the three-phased approach.

On Friday, May 29, the District of Columbia, Maryland, and northern Virginia counties entered Phase 1 of their reopening plans.

Several agencies have begun to transition agency operations to Phase 1. These include:

- June 1: USDA
- June 3: DHS
- June 8: OPM, Interior

We had been targeting Treasury to begin Phase 1, with most of the rest of Government on June 22; however, we learned late last week that the White House will begin easing workplace restrictions the week of June 8. OMB has not made a determination for entering Phase 1, but has indicated an intent to closely follow the White House.

Impact of Moving to Phase 1 for DO

	Current Operating Posture	Phase 1
Telework flexibility	Mandatory telework for all employees whose work can be performed remotely.	Maximum telework flexibility. Allows supervisors to offer the option of returning to the workplace to a limited number of

		employees whose work can be performed remotely.
Onsite work	Employees may only come to the workplace for mission-critical activities that cannot be performed remotely.	Individuals performing mission-critical activities that can only be performed in the workplace and employees whose work requires them to be in the workplace to be most effective Employees performing remote-capable work who volunteer to transition back to the workplace (beginning June 22).
Use of Weather/Safety Leave & Excused Absences	Minimal	Minimal
Estimated daily number of employees in workplace	Typically 5-10% of workforce.	The total number of individuals in the workplace will be capped for each office at 25% of total workforce to ensure appropriate social distancing measures and limit the strain on transportation infrastructure.

<u>Implementation Plan</u>

<u>Treasury Departmental Offices will move to Phase 1 on June 15</u>. This applies to all DO employees and facilities in the National Capital Region (NCR). (Note: OIA had planned to return 25% of employees to SCIFs beginning June 8 (now delayed to June 15), so one could argue that we have somewhat already begun to ease into Phase 1.)

Treasury Operations is following CDC and OSHA guidance on workspace cleaning protocols, has implemented physical distancing, requires the use of face coverings in shared/common spaces or when distancing cannot be maintained and requires temperature checks for entry to Main Treasury (not leased facilities, though under consideration). We continue to work with offices to identify other workspace modifications to keep employees safe.

Offices will be encouraged to consider flexible work schedules, staggered starting times, rotating schedules for being on-site, and other measures to avoid overcrowding of shared/ common spaces (e.g. conference rooms, Vault café, restrooms) and building entrances.

We have prepared extensive guidance and operating procedures for the offices and bureaus, and will work closely with each office to help them manage the number of employees returning to the work-site. Treasury Operations will review badging data to monitor building access levels.

If we move ahead with a June 15 Phase 1, it is important that we begin to notify employees asap. Therefore, your timely approval would be appreciated. I, and my staff, are, of course, also available to discuss the above with you, at your convenience.

Thank you,

David

202-702-7530

—————————————

DELIBERATIVE AND PREDECISIONAL

David F. Eisner | 202-622-1870

Fwd:

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: "Faulkender, Michael" <michael.faulkender@treasury.gov>
Date: Wed, 10 Jun 2020 05:44:11 -0400

Can you take a look at this?

From: Friedman, John <john_friedman@brown.edu>
Date: June 10, 2020 at 2:37:52 AM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: Re:

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Justin,
I hope all is well. I'm getting back to you on the below, as I think we now have a pretty clear sense of what the paper will say. I've attached the non-technical summary if you are interested; feel free to circulate internally though please do not send outside the building. We'll have a full paper coming out soon which I'd be happy to share as well once its ready.

Broadly we're finding that the impetus for the COVID-19 economic shock was the sharp reduction in spending by high-income households, who pulled back most (we think due to fear of the disease). This drove down business revenues, especially for smaller businesses located in more affluent areas. As these businesses lost revenues, they laid off many workers, and especially those in lower-income occupations. This pattern leads to a somewhat unusual pattern of economic shock where it is the low-income workers in affluent areas that have suffered the most. Typically, recessions hit lower-income areas hardest, but this time around its places like San Jose and Manhattan where the shock is being felt most acutely (e.g. see the local maps of the shock on p. 1 (NYC) and p. 3 (SF) of the attached). Intuitively, there is no one left working (or living, perhaps) in midtown Manhattan, and so low-income workers who used to provide services there (e.g., lunch restaurants, janitors, deliverers., etc...) are now completely out of work. But life on Staten Island and in the Bronx is less affected, so those similar workers in the outer bureaus are doing much better.

Policy responses have had limited effect combatting these shocks. First, we find that official reopenings had essentially no effects on economic activity. The stimulus payments had large effects on spending, especially in lower-income households, but they did not translate into correspondingly large revenue gains for those small businesses most affected, and (as a result) employment did not really rebound that much.

<u>Perhaps more relevant to your current job, we find that the PPP has also had very little effect on employment.</u> See the graph on p. 6 of the attached - the trajectory of employment in businesses eligible and ineligible (based on size) is strikingly similar. We're very confident in this fact, but we're still trying to figure out exactly why this is occuring. Perhaps the firms who took up the PPP mostly were planning on maintaining employment anyway, or perhaps there are details in the implementation that means businesses did not, or have yet to hire rehire workers. I'd be very interested in your perspective on this, as you must be seeing data on your end here as well, and I'd be happy to connect if you or your staff would find this useful.

Best,
John

On Sat, May 16, 2020 at 6:36 AM <Justin.Muzinich@treasury.gov> wrote:

> Thanks
>
> ---
>
> **From:** Friedman, John <john_friedman@brown.edu>
> **Date:** May 15, 2020 at 9:35:42 PM EDT
> **To:** Muzinich, Justin <Justin.Muzinich@treasury.gov>
> **Subject:** Re:
>
> ** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **
>
> This recession is very different from past recessions, not only in the cause (obvious) but in the areas that are most affected. Fleshing this out over the next few days, happy to share with you next week.
>
> Best,
> John
>
> On Fri, May 15, 2020 at 9:28 PM <Justin.Muzinich@treasury.gov> wrote:

Hi John - anything you think is particularly revealing from your data that we should be aware of? Hope alls well. Justin

RE: [WH Referral] Guerrero (Gov. of Guam) on EIP Implementation

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: [redacted]@treasury.gov>
Date: Wed, 10 Jun 2020 11:44:54 -0400

It's a [redacted] issue. The letter is 6 weeks old and the issue has been pretty much solved

From: [redacted]@treasury.gov>
Sent: Wednesday, June 10, 2020 11:43 AM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: [WH Referral] Guerrero (Gov. of Guam) on EIP Implementation

Hi Dave, this looks like it involves [redacted] Doug, but I wanted to check in with you before forwarding. Thanks,

-- [redacted]

[redacted]
Office of Tax Policy (detail)
U.S. Department of the Treasury
[redacted]@treasury.gov
(202) 431-8369

From [redacted]@treasury.gov>
Sent: Wednesday, June 10, 2020 11:34 AM
To: Kautter, David <David.Kautter@treasury.gov>; Lebryk, David <David.Lebryk@treasury.gov>; [redacted]@treasury.gov>; [redacted]@treasury.gov>
Cc: Dwyer, David <David.Dwyer@treasury.gov>
Subject: [WH Referral] Guerrero (Gov. of Guam) on EIP Implementation

Hello all,

Flagging this letter. This letter has been tasked out by the White House for a Treasury response.

[COVID-19 VIP][WH Referral] Guerrero (Gov. of Guam) on EIP Implementation, 2020-SE-2982

Thank you,
[redacted]

[redacted] | o: (202) [redacted] | c: (202) [redacted]
Office of the Executive Secretary | U.S. Department of the Treasury
1500 Pennsylvania Ave. NW, Washington, D.C. 20220

RE: CARES Act Draft NOL Notice for consideration

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>
Date: Wed, 10 Jun 2020 15:36:56 -0400

Okay, thanks. [redacted]

From: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Sent: Wednesday, June 10, 2020 3:04 PM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: CARES Act Draft NOL Notice for consideration

Dave, our guidance in April addressed these issues fully.

As you recall, the CARES Act amended section 172(b)(1) to require any NOL arising in the 2018, 2019, or 2020 tax year (CARES Act NOLs) to be carried back to the five taxable years preceding the tax year (carryback period). Additionally, taxpayers may elect under section 172(b)(3) to waive the carryback period for CARES Act NOLs. Alternatively, taxpayers may make an election under section 172(b)(1)(D)(v)(I) for CARES Act NOLs to exclude from the carryback period any tax years in which they have section 965(a) inclusions.

Rev. Proc. 2020-24 provides procedures for making elections for CARES ACT NOLs and 2017 "straddle" tax years—i.e., taxable years beginning prior to January 1, 2018, and ending after December 31, 2017.

Notice 2020-26 both:

- Extends the period of time for submitting Form 1139 Corporation Application for Tentative Refund, and Form 1045, Application for Tentative Refund, for certain taxable years ending before 2019 for which the "12 months from the close of the taxable year in which the NOL arose" filing deadline has expired (e.g., calendar year 2018 filers)

- Provides the procedures for filing Form 1045 and Form 1139 for such years, as well as for filing a single Form 1139 to allow a corporation to apply for both a tentative refund arising in an applicable taxable year and elect under new section 53(e)(5) to recover 100% of any of its remaining minimum tax credits in such year

The IRS also provided "temporary procedures" in a list of FAQs for taxpayers to following in faxing certain Forms 1139 and 1045 to the IRS.

Krishna P. Vallabhaneni
Tax Legislative Counsel
Office of Tax Policy
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220
Direct: +1.202.622.0835
Email: krishna.vallabhaneni@treasury.gov

From: Kautter, David <David.Kautter@treasury.gov>
Sent: Wednesday, June 10, 2020 2:27 PM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Subject: FW: CARES Act Draft NOL Notice for consideration

What did we do with this?

From: Gartin, Randell <Randell.Gartin@mail.house.gov>
Sent: Tuesday, March 31, 2020 10:29 AM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>
Subject: FW: CARES Act Draft NOL Notice for consideration

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

David & Krishna – thanks for taking the time to talk to me yesterday. Below is the email I received with respect to the 2018 NOL carrybacks (I would imagine that this is the same issue for fiscal year 2017 filers too). Any help you can give to make this more streamlined for taxpayers would be greatly appreciated. Many thanks!

Randy

From: "Reiser, Martin" <Martin.Reiser@mail.house.gov>
Date: Sunday, March 29, 2020 at 9:52 AM
To: "Gartin, Randell" <Randell.Gartin@mail.house.gov>
Subject: Fwd: CARES Act Draft NOL Notice for consideration

Have you heard about this issue? Is it something we should talk with Treasury about?

Sent from my iPhone

Begin forwarded message:

> **From:** Jill Hoffman <JILL.HOFFMAN@assurant.com>
> **Date:** March 28, 2020 at 1:25:19 PM EDT
> **To:** "Reiser, Martin" <Martin.Reiser@mail.house.gov>
> **Subject: CARES Act Draft NOL Notice for consideration**
>
> Marty,
>
> As a follow-up to our conversation, we're trying to assist staff with the mechanics of what is needed to address the 2018 NOL carryback Administrative fix. To that end,
> attached is a draft Notice applying the IRS's authority under I.R.C. section 6081 to extend the deadline for the maximum period of 6 months for filing Form 1139 applications for tentative refunds based on NOL carrybacks from losses that arose in tax year 2018. Under the terms of the Notice, a calendar year taxpayer with NOLs arising in the tax year ending December 31, 2018, would have until June 30, 2020, to file a Form 1139 application for a tentative refund.
>
> Also attached is a set of drafting notes addressing the CARES Act and the IRS's authority as set forth in the draft Notice.
>
> The full backgrounder and explainer is below. Please let me know if this is useful and if you hear back from W&M staff.
>
> *Jill*
>
> **CARES Act:**
> **NOL Modification Guidance Needed**
>
> *Background:*
>
> - Sec. 2303 of H.R. 748, the "Coronavirus Aid, Relief, and Economic Security Act" (CARES Act) modifies the net operating loss (NOL) provision in I.R.C. section 172 to allow corporations a five-year carry back of losses arising in tax years beginning in 2018, 2019, or 2020 and to allow the NOLs to fully offset taxable income. These changes will allow companies to utilize NOLs and amend prior year returns to provide critical cash flow liquidity during the COVID-19 emergency.
>
> *Problem:*
>
> - Although the intent of the NOL provision is to provide critical cash to businesses immediately, it is unclear whether there is a mechanism to accomplish this objective for 2018 NOLs.
> - Tax refunds to C corporations that exceed $5 million are subject to review by the Joint Committee on Taxation (JCT) under I.R.C. section 6405 and cannot be issued until the expiration of 30 days from the date a report of the refund is made by the IRS to the JCT.

UST_001232

- I.R.C. section 6411 allows corporations to obtain tentative refunds for a tax year by filing a Form 1139, but the deadline for filing the Form 1139 in I.R.C. section 6411 is 12 months following the expiration of the loss year. For 2018 calendar year taxpayers, that time has passed.
- The CARES Act appears to treat refunds for fiscal tax years ending in 2018 as tentative refunds that could be filed within 120 days of enactment, but this provision does not appear to extend such treatment to calendar year taxpayers.
- Thus, refund claims for NOLs for tax year 2018 may be subject to a 30-day delay from the date the IRS drafts a report and submits it to the JCT if the claims are not treated as tentative refunds under I.R.C. section 6411.
- Unless this issue is addressed, it is possible the JCT review requirement may inadvertently, and unnecessarily, frustrate the intent of Congress in enacting section 2303 of the CARES Act to provide immediate liquidity to hard-pressed businesses.

Solution:

- Refunds under the CARES Act should be administratively deemed to be tentative refunds under I.R.C. section 6411 in order to be consistent with the intent of Congress to provide emergency relief during the COVID-19 crisis. And, the IRS should extend the time under I.R.C. section 6411 for filing Form 1139.
- The IRS has broad authority under I.R.C. section 6081 to grant an extension of time of up to six months for the filing of any return, declaration, statement, or other document required under the Internal Revenue Code or regulations. This authority to extend filing deadlines was exercised in several Notices in late 2001 and in 2002, after the September 11, 2001 terrorist attacks.
- ***Attachment 1*** is a draft Notice applying the IRS's authority under I.R.C. section 6081 to extend the deadline for the maximum period of 6 months for filing Form 1139 applications for tentative refunds based on NOL carrybacks from losses that arose in tax year 2018. Under the terms of the Notice, a calendar year taxpayer with NOLs arising in the tax year ending December 31, 2018, would have until June 30, 2020, to file a Form 1139 application for a tentative refund.
- ***Attachment 2*** is a set of drafting notes addressing the CARES Act and the IRS's authority as set forth in the draft Notice.

RE: NOL timing

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Patel, Bimal" <bimal.patel@treasury.gov>
Date: Thu, 11 Jun 2020 16:42:21 -0400

Bimal

(b)(5) DP [redacted]

Thanks

Dave

From: Patel, Bimal <Bimal.Patel@treasury.gov>
Sent: Thursday, June 11, 2020 4:03 PM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: RE: NOL timing

Dave:

(b)(5) DP [redacted]

Thanks so much.

Bimal

From: Kautter, David < David.Kautter@treasury.gov >
Sent: Wednesday, May 20, 2020 6:15 PM
To: Patel, Bimal < Bimal.Patel@treasury.gov >
Subject: RE: NOL timing

Bimal

We will take a look.

Thanks

Dave

From: Patel, Bimal < Bimal.Patel@treasury.gov >
Sent: Wednesday, May 20, 2020 5:42 PM
To: Kautter, David < David.Kautter@treasury.gov >
Subject: FW: NOL timing

(b)(5) DP [redacted]

Thanks Dave.

From: Ami Desai < ami.desai@vistaequitypartners.com >
Sent: Tuesday, May 19, 2020 4:13 PM
To: Patel, Bimal < Bimal.Patel@treasury.gov >
Subject: NOL timing

Dear Bimal: Look forward to our call tomorrow. Separately, former IRS Commissioner Fred Goldberg Jr,

now at Skadden, outlined the idea below (detailed in attachment). Passing it along, for your assessment.
Sincerely, Ami

BACKGROUND FROM PRESIDENT BUSH 41's IRS COMMISSIONER FRED GOLDBERG JR:

The Cares Act 5 year net operating loss (NOL) carryback provision was intended to address the liquidity needs of previously profitable companies that are now incurring massive losses.

The real world challenge is that under standard carryback procedures, these companies will receive not receive those refunds until sometime during the second quarter next year – far too late for many of them.

We urge Treasury to put in place an administrable process in short order that will enable cash-strapped companies to receive much needed funds within the next 60 – 90 days rather than waiting until sometime next year.

- The tax law already has procedures for estimating and claiming benefits for future NOLs in certain limited circumstances.
- The tax law provides Treasury has authority to make this procedure available on a one-time basis to carry out the purpose of the Cares Act NOL provisions, and has already used its authority to take other important steps in response to the Covid-19 emergency.
- The practical effect will be to put billions of dollars where it is needed now – a bridge to the future before it is too late for many companies and their employees.
- It will have no budget impact because it is a one-off timing adjustment.
- Existing procedures protect the government's interest in assuring companies don't play games.

Fred T. Goldberg, Jr.
Of Counsel
Skadden, Arps, Slate, Meagher & Flom LLP
1440 New York Avenue, N.W. | Washington | D.C. | 20005-2111
T: +1.202.371.7110 | F: +1.202.661.8216
fred.goldberg@skadden.com

FW: Tax Reform, COVID Guidance as of 6/11/20

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: [redacted]@treasury.gov>
Date: Thu, 11 Jun 2020 18:35:44 -0400
Attachments: Tax Reform Guidance Jun-11.xlsx (50.8 kB); COVID Guidance Jun-11.xlsx (20.57 kB)

Please print

From: [redacted]@treasury.gov>
Sent: Thursday, June 11, 2020 6:09 PM
To: Kautter, David <David.Kautter@treasury.gov>; Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>; Paul, William M. <william.m.paul@irscounsel.treas.gov>; Poms, Douglas <Douglas.Poms@treasury.gov>; Weiser, Carol <Carol.Weiser@treasury.gov>; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>; Lindenmuth, Philip J. <Philip.J.Lindenmuth@irscounsel.treas.gov>; 'Amy F. Giuliano' <Amy.F.Giuliano2@irs.gov>; Eldridge, Michelle L. <Michelle.l.eldridge@irs.gov>; 'Reynolds Jodie M' <Jodie.M.Reynolds@irs.gov>; Kron, Susan <Susan.Kron@treasury.gov>; Cohen, Heidi <Heidi.Cohen@treasury.gov>; Pinter, Kimberly <Kimberly.Pinter@treasury.gov>; Myers, Baylor <Baylor.Myers@treasury.gov>; McEntee, Zachary <Zachary.McEntee@treasury.gov>; [redacted]@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>; Kribell, Wendy L. <Wendy.L.Kribell@irscounsel.treas.gov>
Cc: [redacted]@treasury.gov>; Brashares, Edith <Edith.Brashares@treasury.gov>; [redacted]treasury.gov>; Horowitz, John <John.Horowitz@treasury.gov>; Ellison, Christine E. <Christine.E.Ellison@irscounsel.treas.gov>; Kindell, Judith E. <judith.e.kindell@irscounsel.treas.gov>; 'Sincox Terri' <Terri.Sincox@irs.gov>; 'Scarafile Ryan C' <Ryan.C.Scarafile@irs.gov>; 'Friedland Bruce I' <Bruce.I.Friedland@irs.gov>; 'Connelly Karen A' <Karen.A.Connelly@irs.gov>; [redacted]@treasury.gov>; [redacted]@treasury.gov>; Huynh, Quyen <Quyen.Huynh@treasury.gov>; [redacted]@treasury.gov>; Sutton, William <William.Sutton@treasury.gov>; [redacted]@treasury.gov>; [redacted]treasury.gov>
Subject: Tax Reform, COVID Guidance as of 6/11/20

Hi everyone – attached please find updated versions of the weekly TCJA and open COVID-19 guidance lists.

If you have questions, please let me know. Thanks,

--[redacted]

[redacted]
Office of Tax Policy (detail)
U.S. Department of the Treasury
[redacted]@treasury.gov
(202[redacted]

UST_001236

Fwd:

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">

To: "Faulkender, Michael" <michael.faulkender@treasury.gov>

Date: Fri, 12 Jun 2020 07:21:07 -0400

From: Friedman, John <john_friedman@brown.edu>
Date: June 12, 2020 at 12:58:46 AM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: Re:

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Justin I'm sending an updating version of our paper summary, I think its a bit clearer. If you end up giving to any of your staff, please use this one.
John

On Wed, Jun 10, 2020 at 2:35 AM Friedman, John <john_friedman@brown.edu> wrote:

> Justin,
> I hope all is well. I'm getting back to you on the below, as I think we now have a pretty clear sense of what the paper will say. I've attached the non-technical summary if you are interested; feel free to circulate internally though please do not send outside the building. We'll have a full paper coming out soon which I'd be happy to share as well once its ready.
>
> Broadly we're finding that the impetus for the COVID-19 economic shock was the sharp reduction in spending by high-income households, who pulled back most (we think due to fear of the disease). This drove down business revenues, especially for smaller businesses located in more affluent areas. As these businesses lost revenues, they laid off many workers, and especially those in lower-income occupations. This pattern leads to a somewhat unusual pattern of economic shock where it is the low-income workers in affluent areas that have suffered the most. Typically, recessions hit lower-income areas hardest, but this time around its places like San Jose and Manhattan where the shock is being felt most acutely (e.g. see the local maps of the shock on p. 1 (NYC) and p. 3 (SF) of the attached). Intuitively, there is no one left working (or living, perhaps) in midtown Manhattan, and so low-income workers who used to provide services there (e.g., lunch restaurants, janitors, deliverers., etc...) are now completely out of work. But life on Staten Island and in the Bronx is less affected, so those similar workers in the outer bureaus are doing much better.
>
> Policy responses have had limited effect combatting these shocks. First, we find that official reopenings had essentially no effects on economic activity. The stimulus payments had large effects on spending, especially in lower-income households, but they did not translate into correspondingly large revenue gains for those small businesses most affected, and (as a result) employment did not really rebound that much.
>
> Perhaps more relevant to your current job, we find that the PPP has also had very little effect on employment. See the graph on p. 6 of the attached - the trajectory of employment in businesses eligible and ineligible (based on size) is strikingly similar. We're very confident in this fact, but we're still trying to figure out exactly why this is occuring. Perhaps the firms who took up the PPP mostly were planning on maintaining employment anyway, or perhaps there are details in the implementation that means businesses did not, or have yet to hire rehire workers. I'd be very interested in your perspective on this, as you must be seeing data on your end here as well, and I'd be happy to connect if you or your staff would find this useful.
>
> Best,
> John
>
> On Sat, May 16, 2020 at 6:36 AM <Justin.Muzinich@treasury.gov> wrote:
>
>> Thanks
>>
>> ---
>>
>> **From:** Friedman, John <john_friedman@brown.edu>
>> **Date:** May 15, 2020 at 9:35:42 PM EDT
>> **To:** Muzinich, Justin <Justin.Muzinich@treasury.gov>
>> **Subject:** Re:
>>
>> ** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

UST_001237

This recession is very different from past recessions, not only in the cause (obvious) but in the areas that are most affected. Fleshing this out over the next few days, happy to share with you next week.

Best,
John

On Fri, May 15, 2020 at 9:28 PM <Justin.Muzinich@treasury.gov> wrote:

Hi John - anything you think is particularly revealing from your data that we should be aware of? Hope alls well. Justin

RE: Thank you and follow up

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Phelan, Peter" <peter.phelan@treasury.gov>
Date: Fri, 12 Jun 2020 07:21:58 -0400

Peter

I think the best approach would be for them to email their proposal to me. (b)(5) DP [redacted]
(b)(5) DP [redacted]

Thanks

Dave

Deliberative and Predecisional

From: Phelan, Peter <Peter.Phelan@treasury.gov>
Sent: Thursday, June 11, 2020 10:01 PM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: Thank you and follow up

David,
Let me know if you would like to arrange a call or have someone on your team take.
Pete

Deliberative and Predecisional

From: Paul Wilkins <Paul.Wilkins@bloomenergy.com>
Sent: Tuesday, June 9, 2020 4:15 PM
To: Phelan, Peter <Peter.Phelan@treasury.gov>
Subject: Thank you and follow up

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Peter,

Thank you for taking the time to visit with Greg Cameron and me last week. I hope you found Greg's insights on the challenges facing emerging growth and mid-market companies useful. We noted with interest changes the Fed announced to the Main Street Lending Program yesterday. Increasing the maximum loan size will certainly help companies manage their liquidity challenges. Several additional changes would increase the impact of the program for emerging growth and mid-market companies:

a. Give banks more discretion regarding leverage limits.
b. Allow for MSLF funds to be used to refinance debt incurred during Q1 of 2020 as the pandemic hit but before the passage of the CARES Act.
c. Allow non-bank financial institutions to participate in MSLF.

Additionally, Bloom would welcome the opportunity to visit with Assistant Secretary David Kautter to discuss a proposal to allow companies to monetize tax assets like NOLs to provide immediate liquidity at limited cost to the federal government. The proposal was developed by several trade associations including the National Venture Capital Association, TechNet, BIO, and the Medical Device Manufacturers Association. I'm sure the coalition would welcome the opportunity to brief Mr. Kautter on the proposal.

Regards,

Paul Wilkins
Senior Director of Federal Government Relations

Bloomenergy
4353 North First Street
San Jose, CA 95134
Mobile: (b)(6) [redacted]
Paul.Wilkins@bloomenergy.com
https://hyperlink.services.treasury.gov/agency.do?origin=www.bloomenergy.com

RE: Approved Version of Notice Providing COVID-19 Extensions for Sec 45D Requirements

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) [redacted]@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>, "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Cc: (b)(6) [redacted]@treasury.gov>
Date: Fri, 12 Jun 2020 08:07:50 -0400

(b)(6) [redacted]

I have no changes

Thanks

Dave

From: (b)(6) [redacted]@treasury.gov>
Sent: Friday, June 12, 2020 8:02 AM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Cc: (b)(6) [redacted]@treasury.gov>
Subject: RE: Approved Version of Notice Providing COVID-19 Extensions for Sec 45D Requirements

Good morning,

Just circling back on this. I'd like to give IRS the OK to publish today if possible. Thanks!

From: (b)(6) [redacted]
Sent: Thursday, June 11, 2020 11:31 AM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>
Cc: (b)(6) [redacted]treasury.gov>
Subject: RE: Approved Version of Notice Providing COVID-19 Extensions for Sec 45D Requirements

Thanks, Krishna.

The press release is attached. I have reviewed and it includes my edits.

Tricia- heads up on this, if IRS media affairs has not reached out already.

Thanks,
Hannah

From: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Sent: Thursday, June 11, 2020 12:48 AM
To: 'Giuliano Amy F' <Amy.F.Giuliano2@irs.gov>; Desmond, Michael J. <michael.j.desmond@irscounsel.treas.gov>; Paul, William M. <william.m.paul@irscounsel.treas.gov>; Kribell, Wendy L. <Wendy.L.Kribell@irscounsel.treas.gov>; Porter, Holly A. <holly.porter@irscounsel.treas.gov>; Moffitt, Thomas D. <Thomas.D.Moffitt@IRSCOUNSEL.TREAS.GOV>; Cimino, Nicole R. <Nicole.R.Cimino@irscounsel.treas.gov>; Grant, Jian H. <Jian.H.Grant@irscounsel.treas.gov>; Taylor, Dillon J. <dillon.j.taylor@irscounsel.treas.gov>; Torruella Costa, Michael J. <michael.j.torruellacosta@irscounsel.treas.gov>
Cc: Kautter, David <David.Kautter@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>; (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>; York, Brett <Brett.York@treasury.gov>; (b)(6) [redacted]@treasury.gov>; Jacinto, Jarrett <Jarrett.Jacinto@treasury.gov>; Pinter, Kimberly <Kimberly.Pinter@treasury.gov>; (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>; Morgenstern, Brian <Brian.Morgenstern@treasury.gov>; (b)(6) [redacted] (b)(6) [redacted]@treasury.gov>
Subject: Approved Version of Notice Providing COVID-19 Extensions for Sec 45D Requirements

All:

I have been authorized to approve the release and subsequent publication in the Internal Revenue Bulletin of the attached APPROVED Version of a notice postponing due dates for CDEs or QALICBs to perform time-sensitive actions to satisfy certain New Market Tax Credit requirements under section 45D.

The APPROVED Version includes edits to the section-7508A(a)-related language and minor clarifying edits (none of the OTP edits change the substance of the relief).

Please let us know once you know the time at which this notice will be released.

Thanks very much!

Krishna P. Vallabhaneni
Tax Legislative Counsel
Office of Tax Policy
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220
Direct: +1.202.622.0835
Email: krishna.vallabhaneni@treasury.gov

Fwd: Paychex Introduces PPP Loan Forgiveness Estimator and Reporting

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: Secretary [redacted], "Faulkender, Michael" <michael.faulkender@treasury.gov>
Cc: "Callanan, Brian" <brian.callanan@treasury.gov>
Date: Fri, 12 Jun 2020 11:18:51 -0400

Fysa

From: Inge, Thad <tinge@paychex.com>
Date: June 12, 2020 at 11:16:36 AM EDT
To: Inge, Thad <tinge@paychex.com>
Subject: Paychex Introduces PPP Loan Forgiveness Estimator and Reporting

** **Caution:** External email. Pay attention to suspicious links and attachments. Send suspicious email to suspect@treasury.gov **

Good morning:

I wanted to share the launch of Paychex's PPP Loan Forgiveness Estimator and Forgiveness Report, helping customers simplify the loan application process and providing the accurate information needed to satisfy loan forgiveness requirements. In addition, for non-customers, we have a forgiveness estimator and additional resources that are open for anyone to use - https://hyperlink.services.treasury.gov/agency.do?origin=https://www.paychex.com/business-loans/loan-forgiveness-estimator .

See below and attached for details.

Thanks,

Thad Inge
Government Relations
Paychex, Inc.
Office: (202) 507-6293
Mobile (b)(6) [redacted]

News Release

911 Panorama Trail South • Rochester, NY 14625 • paychex.com

PAYCHEX
HR | Payroll | Benefits | Insurance

For Immediate Release

Paychex Introduces Paycheck Protection Program Loan Forgiveness Estimator and Reporting

Paychex Flex® solutions provide businesses with information needed to meet new requirements of PPP Flexibility Act

Rochester, N.Y. (June 12, 2020) – On June 5, 2020, the Paycheck Protection Program (PPP) Flexibility Act was signed into law, relaxing the original requirements for how businesses could use PPP loans and continue to qualify for forgiveness. Within days of the bill passing, Paychex, Inc., a leading provider of HR, payroll, benefits, and insurance solutions, introduced a PPP Loan Forgiveness Estimator and Forgiveness Report in its cloud-based HR suite, Paychex Flex®, to simplify the application process for customers and provide them the accurate information needed to satisfy the new forgiveness requirements.

In accordance with the PPP Flexibility Act, these new Paychex solutions account for the extension of the timeframe to use funds from eight weeks to up to 24 weeks and an increased allowance of up to 40 percent of the loan to be spent on non-payroll costs such as mortgage interest, rent, and utilities.

"Receiving PPP funding has been essential to reopening for many business owners, but securing loan forgiveness will be critical for both their short-term cashflow and long-term survival," said Martin Mucci, Paychex president and CEO. "We understand that maximizing forgiveness is a critical need for our customers, and we are uniquely positioned to provide them with the information needed to apply for loan forgiveness. Our dedicated compliance staff has been working with the highest levels of government to help inform the development of the regulations, interpret what the rules mean for our customers, and accurately apply them when building the calculations into Paychex Flex."

According to a Paychex survey, conducted May 15-17, 2020, among a randomly selected group of business owners with two to 500 employees, many businesses lack clarity when it comes to their loan forgiveness. While 68 percent of businesses are very or extremely confident they meet the requirements for PPP forgiveness, 37 percent are unclear how to apply for forgiveness. Another 34 percent are uncertain what their bank or other funding provider will require from them for the forgiveness request.

Paychex customers can now access the required information to maximize loan forgiveness via the PPP Loan Forgiveness Estimator and companion Forgiveness Report in Paychex Flex by the following process:

- After a user selects their covered period, the Forgiveness Estimator automatically populates the customer's payroll information from each pay period during their covered period, shows both estimated and projected loan forgiveness, and is updated with each payroll run.
- Paychex Flex populates the Forgiveness Estimator with the employer's state and local taxes and Paychex-administered benefits. Users who do not use Paychex to administer such benefits can manually enter information from their provider.
- Users enter applicable non-payroll costs into the Forgiveness Estimator.
- The Forgiveness Estimator calculates the projected loan forgiveness amount.
- Users can take data from the Forgiveness Estimator to assist them in completing a loan forgiveness application. Users also have access to additional system-generated reports, inclusive of required payroll documentation, which can be submitted to their lender.

The Forgiveness Estimator and associated reports will be available to all Paychex Flex customers as part of their payroll service at no additional charge, as well as those of Paychex subsidiaries SurePayroll and Oasis. While customers can directly access the forgiveness tools themselves, Paychex service providers are available to guide clients who may need assistance.

"We built our PPP forgiveness tools to provide customers with a simple, easy-to-use solution that leverages actual payroll data, estimates future payroll and non-payroll costs, and maintains data continuity throughout the process to help ensure borrowers get the most out of their PPP loans," Mucci added.

In addition to customers, accountants can access the Forgiveness Estimator for each of their clients via the Paychex AccountantHQ dashboard, enabling them to provide more strategic consultation and help their clients optimize PPP loan forgiveness.

"In addition to helping accountants bring more value to their clients with tools like the PPP Forgiveness Estimator, we continue to work closely with the accounting community to provide recommendations to the U.S. Department of the Treasury and the Small Business Administration on the forgiveness process so that together we can help America's small- and medium-sized businesses succeed," Mucci noted.

Accountants and other businesses can find updated resources, including several related to PPP forgiveness, via the Paychex COVID-19 Help Center here.

Note: The information contained within is not tax or legal advice. These issues are complex and applicability depends on individual circumstances. Businesses should consult tax or legal counsel before taking action on any of the items identified above.

About the Paychex Business Survey
Paychex polled 300 randomly selected U.S. business owners with 2-500 employees. The survey was administered online by Bredin, a third-party research firm, between May 15-17, 2020, and yielded a +/- 5.66% margin of error.

About Paychex
Paychex, Inc. (NASDAQ:PAYX) is a leading provider of integrated human capital management solutions for human resources, payroll, benefits, and insurance services. By combining its innovative software-as-a-service technology and mobility platform with dedicated, personal service, Paychex empowers small- and medium-sized business owners to focus on the growth and management of their business. Backed by more than 45 years of industry expertise, Paychex serves approximately 670,000 payroll clients as of May 31, 2019 across more than 100 locations in the U.S. and Europe, and pays one out of every 12 American private sector employees. Learn more about Paychex by visiting paychex.com and stay connected on Twitter and LinkedIn.

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News Release

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Fwd: Mnuchin faces fight over transparency — Powell in the spotlight — Rising cases threaten economic rebound

From: "Muzinich, Justin" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: Secretary Mnuchin [redacted]
Date: Mon, 15 Jun 2020 08:09:08 -0400

ICYMI, lead story.

From: POLITICO's Morning Money <morningmoney@politico.com>
Date: June 15, 2020 at 8:04:36 AM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>
Subject: Mnuchin faces fight over transparency — Powell in the spotlight — Rising cases threaten economic rebound

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Jun 15, 2020 View in browser

BY ZACHARY WARMBRODT AND ELIZA WEAVER

Editor's Note: Morning Money is a free version of POLITICO Pro Financial Services' morning newsletter, which is delivered to our subscribers each morning at 6 a.m. The POLITICO Pro platform combines the news you need with tools you can use to take action on the day's biggest stories. Act on the news with POLITICO Pro.

QUICK FIX

Mnuchin faces fight over transparency — A growing number of lawmakers are blasting Treasury Secretary Steven Mnuchin's surprising decision to withhold the identities of businesses that took more than $500 billion in government-guaranteed Paycheck Protection Program loans. In the first big battle over coronavirus bailout oversight, House Speaker Nancy Pelosi says the "administration must immediately reverse this decision and uphold its obligation to release this data." Senate Small Business Chairman Marco Rubio is among the lawmakers who have asked for the release of the information, and 38 House Republicans voted in favor of a PPP disclosure bill last month.

Powell in the spotlight — Federal Reserve Chair Jerome Powell will testify before lawmakers twice this week to talk about the state of the economy. In a report to Congress before his testimony , the Fed said the economic outlook is "extraordinarily uncertain." The report warned that small businesses face "alarming" conditions and may require a new round of federal aid. Powell's appearance comes as Congress nears negotiations on new economic relief legislation.

Rising cases threaten economic rebound — Coronavirus cases are surging in states that have begun to reopen, forcing leaders to contemplate whether safety restrictions should be lifted more slowly. Trump administration economic officials are dismissing the prospect of a second wave of cases and warn that another shutdown would be too costly to the economy.

HAPPY MONDAY — Keep in touch with Zach at zwarmbrodt@politico.com or @zachary and Aubree Eliza at aweaver@politico.com or @AubreeEWeaver.

DRIVING THE DAY

DRIVING THE DAY — San Francisco Fed President Mary Daly delivers an address and takes questions as part of the National Press Club's Virtual Newsmaker series at 12:30 p.m. ...

ALSO THIS WEEK — Powell testifies before Senate Banking Tuesday at 10 a.m. and before House Financial Services Wednesday at 10 a.m. ... The FDIC releases its quarterly banking profile Tuesday at 11 a.m. ... House Financial Services holds a hearing on "How Bad Actors Are Exploiting the Financial System During the COVID-19 Pandemic" Tuesday at noon ... Fed Vice Chair Richard Clarida gives a speech on the U.S. economic outlook Tuesday at 6 p.m. ... Fed Vice Chair Randal Quarles talks about stress testing at a Women in Housing and Finance event Friday at noon ... Powell discusses workforce resilience at a Cleveland Fed event Friday at 1 p.m.

Millions of jobs might be lost for good — Bloomberg's Olivia Rockeman and Jill Ward: "[N]ew research by Bloomberg Economics reckons 30% of U.S. job losses from February to May are the result of a reallocation shock. The analysis -- based on the relationship between hiring, firing, openings and unemployment -- suggests the labor market will initially recover swiftly, but then level off with millions still unemployed. ...

"Jobs in the hospitality industry ... are among the most at risk, alongside retail, leisure, education and health. In many cases, the pandemic will increase the challenge for bricks and mortar companies facing off against e-commerce platforms such as Amazon.com. Inc, accelerating the pre-crisis trend."

Early signs of a 'V' — WSJ's Greg Ip: "The first stage of the recovery looks V-shaped. ... [A]n L-shaped recovery, in which activity stays depressed, now looks remote. And while the overall recovery may not end up a V, it may also be less feeble than many had feared. ... The labor market remains the biggest wild card."

AP Photo

Navarro: Trump wants $2 trillion bill — POLITICO's Evan Semones: "White House trade adviser Peter Navarro signaled that President Donald Trump is looking for at least $2 trillion in the next relief package being considered to help buoy an economy devastated by the coronavirus pandemic. ...

"Navarro said the White House would also like to see a 'critical' payroll tax cut and a focus on bringing manufacturing jobs back to the U.S. in any further relief bill."

HAPPENING TODAY 9 a.m. EDT - "INSIDE THE RECOVERY" PART III: PLAYBOOK INTERVIEW WITH MIKE SOMMERS, CEO OF AMERICAN PETROLEUM INSTITUTE: Global oil markets took a plunge, and worldwide demand for fuel remains weak — making the expectation the industry's recovery will be lengthy. Join POLITICO Playbook co-authors Anna Palmer and Jake Sherman for a conversation with Mike Sommers focused on how Covid-19 has slammed the energy industry, the role API could play in the upcoming 2020 election, and what the industry needs from the federal government moving forward. REGISTER HERE.

But stop the $600 unemployment bump, Kudlow says — WSJ's Ryan Tracy: "[White House economic adviser Larry Kudlow] said Sunday the U.S. needs to stop providing a $600-a-week boost in unemployment benefits instituted in response to the coronavirus pandemic and replace it with a smaller bonus for workers who return to their jobs. …

"As an alternative to the $600-a-week stipend, Mr. Kudlow said the White House was weighing 'a reform measure that will still provide some kind of bonus for returning to work.' He didn't provide details on that proposal but said it 'won't be quite as substantial' as the current unemployment benefit."

Major PPP change for owners with criminal records — The SBA and Treasury Department announced a big revision to the rules for the Paycheck Protection Program to make it easier for business owners with past legal troubles to apply for aid. Under the new rule, restrictions will be placed on borrowers with non-financial felonies going back just one year instead of five. A bipartisan group of lawmakers pressed the Trump administration to relax the original requirements

Rep. French Hill (R-Ark.), a member of the Congressional Oversight Commission, weighs in on Mnuchin's decision to withhold PPP loan data: " Unless borrowers were promised something different in the PPP interim final rule, generally, my view is that PPP loans should follow whatever the public disclosure policy is of the SBA related to the 7(a) program."

MM notes that the SBA warned PPP borrowers in the program's loan application that their names and loan values would be released. The SBA discloses the names and loan details of borrowers under its existing, flagship 7(a) program.

Goldman boosts PPP support — From a release going out later this morning: "The Goldman Sachs Group, Inc. today announced it will commit an additional $250 million to fund the Small Business Administration's Paycheck Protection Program … loans through Community Development Financial Institutions … and other mission-driven lenders. The firm is also launching partnerships with the National Urban League and the U.S. Hispanic Chamber of Commerce … to ensure that both capital and information reach minority-owned businesses.

"'We have seen the SBA's program make a real difference to small business owners, but it is not reaching them equally," said David M. Solomon, Chairman and Chief Executive Officer.'"

FLY AROUND

Kyle Bass under investigation — WSJ's Dave Michaels and Aruna Viswanatha: "After earning some $34 million by selling short shares of real-estate investment trust UDF IV, Mr. Bass's Dallas-based company is under investigation by U.S. securities regulators, according to people familiar with the matter. They are looking at whether Mr. Bass's relentless criticism of UDF—including his allegations of widespread undisclosed problems in its loan portfolio—conveyed false or misleading statements that amounted to market manipulation, the people said."

Riggleman loses reelection — Our Ally Mutnick on the House Financial Services Committee freshman Republican, who was denied a second term this weekend: "Rep. Denver Riggleman (R-Va.), who became a target of conservatives after officiating a same-sex wedding last year, was ousted Saturday by GOP voters in a drive-thru district convention."

Study: Private equity titans get rich on fees — FT's Chris Flood: "The number of private equity barons with personal fortunes of more than $2bn has risen from three in 2005 to 22, according to a new analysis which estimates investors paid $230bn in performance fees over a 10-year period for returns that could have been matched by an inexpensive tracker fund costing just a few basis points. ...

"The biggest winners have been the founders of Blackstone, Apollo, KKR and Carlyle — the four largest private equity managers."

Dallas Fed's Kaplan: Systemic racism slows economic growth — Reuters' Doina Chiacu: "Systemic racism and high unemployment levels among black and Hispanic Americans create a drag on the U.S. economy, Dallas Federal Reserve President Robert Kaplan said on Sunday.

"'A more inclusive economy where everyone has an opportunity will mean faster workforce growth, faster productivity growth and will grow faster,' Kaplan said on CBS' 'Face the Nation.'"

Most Americans say wealth hasn't improved under Trump — Bloomberg's Virginia Van Natta: "The 'Trump Bump' hasn't benefited most Americans, with fewer than one in six saying their personal finances have improved since Donald Trump became president, according to a survey commissioned by Bankrate.com. ...

"Almost twice as many respondents said they're worse off since Trump moved into the White House in January 2017, while about half of the U.S. adults polled, 45%, said their financial situation has stayed about the same.

"Groups likely to report doing better under Trump included men, those identifying as white, and those earning $80,000 or more annually."

People moves — The Bank Policy Institute hired Erik Rust as vice president of government affairs. He was previously a director at the U.S. Chamber of Commerce.

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FW: Request for meeting with NMHC on LKE

From: "Kautter, David" <"/o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>, "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>
Date: Mon, 15 Jun 2020 09:59:48 -0400

(b)(5) DP [redacted]

Thanks

Dave

From: Cindy Chetti <cchetti@nmhc.org>
Sent: Monday, June 15, 2020 7:47 AM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: Matthew M. Berger <mberger@nmhc.org>
Subject: Request for meeting with NMHC on LKE

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Assistant Secretary Kautter,

Cindy Chetti with NMHC here. I wanted to take a moment and reach out on like-kind exchanges. The National Multifamily Housing Council represents owners, managers, and developers of apartment homes, and many of our members use like-kind exchanges. Like-kind exchange rules play a crucial role in supporting the multifamily sector by encouraging investors to remain invested in real estate while still allowing them to balance their investments to shift resources to more productive properties, change geographic location, or diversify or consolidate holdings. While we greatly appreciate initial deadline relief for like-kind exchanges that the Treasury Department and Internal Revenue Service provided to assist taxpayers affected by the COVID-19 pandemic, we joined other real estate stakeholders in the attached letter to ask for clarification of the relief provided as well as additional flexibility. We would be grateful for any additional assistance that the Treasury Department and Internal Revenue Service may be willing to provide. I have summarized our key issues of concern and proposed solutions below.

I know how busy you must be but I am writing today to ask you if you have time for a conversation with me, Matthew Berger, NMHC Vice President, Tax, and one of my officers, Jim Schloemer, CEO of Continental Properties. Please let me know if you are willing to entertain setting up a time for a call.

Issue 1:

The industry is seeking clarification that as it relates to section 1031, Section 17 of Rev. Proc. 2018-58 applies.

In the past, disaster relief notices specifically reference Section 17 of Rev. Proc. 2018-58. However, Notice 2020-23 makes no reference to Section 17. Although Section 3.02 of Rev. Proc. 2018-58 seemingly applies Section 17 automatically once Treasury invokes its authority under section 7508A, the absence of a specific reference to Section 17 has created confusion as to the exact form of relief granted.

Notice 2020-23 postpones to July 15 only those time-sensitive acts occurring on or after April 1 and before July 15. If Section 17 applies, it would afford affected taxpayers engaged in like-kind exchanges additional relief. It would allow a taxpayer who began an exchange on or before the date of the disaster to extend the 45-day identification and 180-day exchange period by the later of 120 days or the last day of the disaster extension period.

Issue 2:
The industry has asked that if the 45-day identification period or 180-day closing period applicable to like-kind exchanges fall between April 15, 2020, and July 1, 2020, that the deadline to complete either of those actions be extended by 120 days or to July 15, whichever is later.

If granted, the requested additional relief would provide taxpayers the ability to retroactively revise an identification of like-kind replacement property. This relief is critical because properties identified by a 45-day deadline that preceded the full onset of the pandemic may, for example, no longer be viable or the value may have fallen to a degree that a closing is no longer feasible. The occupancy and income of a property identified for acquisition may have dropped so far that the value may currently be beneath the seller's mortgage balance and hence not marketable until sometime in the distant future when revenue recovers. Similarly, a change in status or value of an identified property may impact the willingness of lenders to accept it as collateral. Affected taxpayers may need to identify different or additional properties.

Thank you very much for your consideration. It would mean a lot to have the opportunity to discuss with you and/or your staff. I can be reached at 703-395-0469 or via email.

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