



DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

April 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 fourteenth 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 fourteenth production in this case for April 2022. Treasury reviewed 75 documents (159 pages). Nineteen documents were responsive (35 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-two documents (114 pages) were non-responsive. Four documents (10 pages) were deemed to be privilege-responsive and withheld in full pursuant to exemption (b)(5).

Treasury will continue to review and process documents and will provide another production not later than May 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

FW: Request for meeting with NMHC on LKE

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6)@treasury.gov
Cc: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>
Date: Mon, 15 Jun 2020 18:04:53 -0400

(b)(6)

Please schedule a 15 minute call with the group below for me, Jeff and Krishna.

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.

Cindy Chetti
Senior Vice President, Government Affairs
National Multifamily Housing Council
1775 Eye Street, N.W., Suite 1100
Washington, D.C. 20006
(O): 202/974-2328 | (F): 202/775-0112 (C): (b)(6)
<https://hyperlink.services.treasury.gov/agency.do?origin=www.nmhc.org> | cchetti@nmhc.org



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Cindy Chetti
Senior Vice President, Government Affairs
National Multifamily Housing Council
1775 Eye Street, N.W., Suite 1100
Washington, D.C. 20006
(O): 202/974-2328 | (F): 202/775-0112

UST_001252

<https://hyperlink.services.treasury.gov/agency.do?origin=www.nmhc.org> | cchetti@nmhc.org



Upcoming NMHC Meetings: <https://hyperlink.services.treasury.gov/agency.do?origin=www.nmhc.org>

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UST_001253

RE: 48A

From: "Kautter, David" <"o=ustreasury/ou=exchange administrative group (fydibohf23spdt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: thomas.reynolds@hklaw.com
Date: Tue, 16 Jun 2020 09:02:26 -0400

Mr. Reynolds

Thank you for your email last week. I am sorry I did not respond sooner. We have been busy trying to get CARES Act guidance out along with the remaining TCJA guidance both of which continue to be our top priorities.

We have started work on developing the necessary material to solicit a new round applications under Section 48A. It is hard to predict right now when that solicitation will come out but we are trying to get it out during the summer, hopefully early and not late summer. Its progress will depend, in part, on what Congress does with respect to another coronavirus bill and what sort of tax provisions are in that bill. If the bill has a number of tax provisions that require our immediate attention, then that may slow the process down.

I hope this information is helpful.

Dave

From: Thomas.Reynolds@hklaw.com <Thomas.Reynolds@hklaw.com>
Sent: Wednesday, June 10, 2020 2:44 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: Thomas.Reynolds@hklaw.com
Subject: 48A

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

Assistant Secretary Kautter,
Thank you for all that you and the Treasury Department are doing to assist Americans during the time of the Covid-19 Pandemic. This is former Congressman Tom Reynolds now a Sr Policy Advisor at Holland & Knight LLP in Washington. We have clients interested in the 48A credit program and are waiting for a new round of applications to begin. As a former Ways & Means Member in the House I can appreciate how busy your entire office is during these times. We are led to believe there are no problems with formulating solicitation of the next round just the process of getting it out the door. If Treasury would finalize this, it could lead to more jobs returning to the work force with companies applying and receiving the tax credits. Do you see the possibility of Treasury completion of the 48A issues of notice in the short term future?
I appreciate any information, guidance and assistance you could provide. Thank you
Tom

Thomas Reynolds | Holland & Knight

Senior Policy Advisor

Holland & Knight LLP

800 17th Street N.W., Suite 1100 | Washington, District of Columbia 20006

Phone 202.469.5107 | Fax 202.955.5564

thomas.reynolds@hklaw.com | <https://hyperlink.services.treasury.gov/agency.do?origin=www.hklaw.com>

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UST_001254

RE: Speaking Approval Request--DC Bar

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6)@treasury.gov>
Date: Tue, 16 Jun 2020 16:29:56 -0400
Attachments: DC Bar Speech-and-Training-Form - James Wang 06 16 20.pdf (238.85 kB)

Here you go

From: (b)(6)@treasury.gov>
Sent: Tuesday, June 16, 2020 4:06 PM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: Speaking Approval Request--DC Bar

Hi Dave,
Please approve the attached for Jim Wang. It's a DC Bar panel discussion.

(b)(6)

From: Poms, Douglas <Douglas.Poms@treasury.gov>
Sent: Tuesday, June 16, 2020 2:42 PM
To: (b)(6)@treasury.gov>
Cc: (b)(6)@treasury.gov>
Subject: FW: Speaking Approval Request--DC Bar

Hi (b)(6)

See the attached approval forms for Jim to speak at the DC Bar meeting next week on our recent guidance on COVID-related travel restrictions. Can you send to Dave for his approval.

Thanks,
Doug

From: (b)(6)
Sent: Wednesday, June 10, 2020 3:45 PM
To: Poms, Douglas <Douglas.Poms@treasury.gov>
Subject: Speaking Approval Request--DC Bar

Hi Doug,

Attached is my speaking approval request for a DC Bar webinar on the international tax issues arising from trapped workers and a remote workforce after the COVID-19 pandemic. Contrary to the email I sent you yesterday, I ended up deciding to try to do the DC Bar panel on June 25 instead of the STEP panel on June 24 because this morning, Michael Plowgian emailed me saying that the panelists will in fact spend a significant amount of time on the IRS guidance in this space and that they would really like to have one government panelist. I then discussed this with ACCI and we decided that I would do the DC Bar panel and they would do the STEP panel. Thanks!

(b)(6)
Attorney-Advisor
U.S. Department of Treasury
Office of Tax Policy
(202) 622-2198

UST_001255

FW: Flagging: FT: US upends global digital tax plans after pulling out of talks with Europe

From: "Muzinich, Justin" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=3d2afce60d7e464fbd30ff8dbedefecb-muzinich, jus">
To: Secretary Mnuchin
Date: Wed, 17 Jun 2020 13:28:22 -0400

From: Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
Date: June 17, 2020 at 1:27:42 PM EDT
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>, Kautter, David <David.Kautter@treasury.gov>, Harter, Chip <LafayetteChip.Harter@treasury.gov>, Crowley, Monica <Monica.Crowley@treasury.gov>, Miller, Rebecca <Rebecca.Miller@treasury.gov>
Subject: FW: Flagging: FT: US upends global digital tax plans after pulling out of talks with Europe

From: Upton, William <William.Upton@treasury.gov>
Sent: Wednesday, June 17, 2020 1:26 PM
To: _DL_Public Affairs <PublicAffairsDL@do.treas.gov>
Subject: Flagging: FT: US upends global digital tax plans after pulling out of talks with Europe

FT: US upends global digital tax plans after pulling out of talks with Europe (Sam Fleming, Jim Brunsden, Chris Giles, and James Politi, 6.17.20)

The US has thrown into disarray plans for a new global tax framework for technology companies after suspending talks with European countries — and warning them of retaliatory measures if they press ahead with their own taxes.

In a letter to four European finance ministers seen by the Financial Times, US Treasury secretary Steven Mnuchin warned that discussions had reached an “impasse”. He said the US was unable to agree even on an interim basis changes to global taxation law that would affect leading US digital companies.

The move dashes international discussions under the auspices of the Paris-based OECD for a more equitable approach to taxing multinational companies. It will also infuriate European capitals desperate to raise revenue after the devastation to public finances wrought by the Covid-19 pandemic.

With the US threatening tariffs if European nations continue levying digital taxes, the letter paves the way for a summer of transatlantic tension and heated negotiations.

Paris, Madrid, London and Rome have been among the capitals to champion new taxes on Apple, Facebook, Google and other tech giants, arguing that the companies profit enormously from the European market while making minimal contributions to public coffers.

“Attempting to rush such difficult negotiations is a distraction from far more important matters,” said Mr Mnuchin in the letter, dated June 12. “This is a time when governments around the world should focus their attention on dealing with the economic issues resulting from Covid-19.”

The letter, sent to Rishi Sunak, the UK chancellor of the exchequer, French economy minister Bruno Le Maire, and the finance ministers of Italy and Spain, called for talks to be suspended. T

he US Treasury secretary also reiterated prior threats to retaliate if the countries continued to implement their own digital taxes.

“The United States remains opposed to digital services taxes and similar unilateral measures,” Mr Mnuchin wrote. “As we have repeatedly said, if countries choose to collect or adopt such taxes, the United States will respond with appropriate commensurate measures.”

The US wanted to resume the talks later this year, he said in the letter.

European diplomats said that they would send a joint reply shortly.

The OECD had proposed a compromise with two pillars.

The first suggested countries would be allowed for the first time to have some rights to tax profits made on the basis of sales in their jurisdictions. This would not just apply to US tech giants, but would also give the US, for example, limited taxing rights over European luxury goods companies.

The second was that there would be a global minimum corporate tax rate to stop countries lowering corporate tax rates in an

UST_001256

attempt to shift company headquarters to their jurisdictions.

Mr Mnuchin insisted that discussions on the second pillar remained on track and that the parties were “much closer to an agreement”.

He said the US hoped to bring these talks on a global minimum tax to a conclusion this year.

However, few think a global compromise is possible without agreement on both pillars, so the US letter is likely to find few supporters in European finance ministries.

The UK Treasury said on Wednesday it intended to press ahead with its own digital services tax, which is already enshrined in British law, although US tech companies are not required to pay anything until 2021.

In January Mr Mnuchin and his French counterpart Mr Le Maire managed to prevent a complete breakdown in the process, with the US suspending its plans for tariffs on predominantly French goods alongside a commitment by Paris not to collect revenues from its digital tax immediately, even though the liabilities would still accrue.

But earlier this month, the Trump administration cleared the way for punitive measures against a broad range of countries that had adopted or were in the process of adopting digital taxes.

Robert Lighthizer, the US trade representative, announced a probe into whether digital tax measures in the UK, Spain, Italy and other countries amounted to an unfair trade practice, which allows Washington under US law to unilaterally slap tariffs on imports from the countries involved.

The US had already launched such a probe against France for its digital tax plans, and unveiled a list of products, including French wines, that would be targeted for retaliation, but had so far held off imposing those levies. The US Treasury did not immediately respond to a request for comment on the letter.

UST_001257

FW: Flagging: FT: US upends global digital tax plans after pulling out of talks with Europe

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6)@treasury.gov>
Date: Wed, 17 Jun 2020 14:22:41 -0400

From: Morgenstern, Brian <Brian.Morgenstern@treasury.gov>
Sent: Wednesday, June 17, 2020 1:28 PM
To: Muzinich, Justin <Justin.Muzinich@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>; Harter, Chip <LafayetteChip.Harter@treasury.gov>; Crowley, Monica <Monica.Crowley@treasury.gov>; Miller, Rebecca <Rebecca.Miller@treasury.gov>
Subject: FW: Flagging: FT: US upends global digital tax plans after pulling out of talks with Europe

From: (b)(6)@treasury.gov>
Sent: Wednesday, June 17, 2020 1:26 PM
To: _DL_Public Affairs <PublicAffairsDL@do.treas.gov>
Subject: Flagging: FT: US upends global digital tax plans after pulling out of talks with Europe

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With the US threatening tariffs if European nations continue levying digital taxes, the letter paves the way for a summer of transatlantic tension and heated negotiations.

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UST_001258

over European luxury goods companies.

The second was that there would be a global minimum corporate tax rate to stop countries lowering corporate tax rates in an attempt to shift company headquarters to their jurisdictions.

Mr Mnuchin insisted that discussions on the second pillar remained on track and that the parties were “much closer to an agreement”.

He said the US hoped to bring these talks on a global minimum tax to a conclusion this year.

However, few think a global compromise is possible without agreement on both pillars, so the US letter is likely to find few supporters in European finance ministries.

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But earlier this month, the Trump administration cleared the way for punitive measures against a broad range of countries that had adopted or were in the process of adopting digital taxes.

Robert Lighthizer, the US trade representative, announced a probe into whether digital tax measures in the UK, Spain, Italy and other countries amounted to an unfair trade practice, which allows Washington under US law to unilaterally slap tariffs on imports from the countries involved.

The US had already launched such a probe against France for its digital tax plans, and unveiled a list of products, including French wines, that would be targeted for retaliation, but had so far held off imposing those levies. The US Treasury did not immediately respond to a request for comment on the letter.

UST_001259

Re: FYI: Brady: Mnuchin is Right, Now Is Not the Time for Countries to Impose New Digital Taxes

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) @treasury.gov>
Date: Wed, 17 Jun 2020 19:07:19 -0400

Thanks

From: (b)(6) @treasury.gov>
Date: June 17, 2020 at 6:56:37 PM EDT
To: Harter, Chip <LafayetteChip.Harter@treasury.gov>, Poms, Douglas <Douglas.Poms@treasury.gov>, Kautter, David <David.Kautter@treasury.gov>
Subject: FYI: Brady: Mnuchin is Right, Now Is Not the Time for Countries to Impose New Digital Taxes

FYI

From: Ways and Means Republicans <pressfromways&means@mail.house.gov>
Sent: Wednesday, June 17, 2020 6:46 PM
To: Friedman, Jeffrey (Aharon) <Aharon.Friedman@treasury.gov>
Subject: Brady: Mnuchin is Right, Now Is Not the Time for Countries to Impose New Digital Taxes

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Brady: Mnuchin is Right, Now Is Not the Time for Countries to Impose New Digital Taxes

 June 17, 2020 - PRESS RELEASE

[J.P. Freire](#)
[Jesse Solis](#)

(202) 226-4774

Washington, D.C. -- The top Republican on the House Ways and Means Committee Kevin Brady (R-TX) released the following statement after Treasury Secretary Steven Mnuchin sent a letter to four European finance ministers warning them not to press forward with plans for new digital taxes:

"I agree with Secretary Mnuchin that this is not the time to be imposing a punitive new tax on mainly U.S. companies--which also erodes America's tax base, making it more difficult to meet the long-term needs of our country as we recover from COVID-19.

"Members of Congress will continue working with the Administration to ensure that the OECD is realistic and open to our ideas on how to move forward. It would be a mistake for European governments to impose taxes unilaterally that target American companies."

UST_001260

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UST_001261

FW: Gregory-Portland ISD Request for Temporary Extension of Reimbursement Period for Projects Eligible for Tax-Exempt Financing

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6)@treasury.gov>
Date: Thu, 18 Jun 2020 17:08:49 -0400

FOIA

From: Ozimek, Victoria <victoria.ozimek@bracewell.com>
Sent: Thursday, June 18, 2020 3:59 PM
To: Michael.desmond@irs.gov; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>
Cc: Paul Clore <pclore@g-pisd.org>; BRIGITTE CLARK <BCLARK2@g-pisd.org>; Wallace, Barron <barron.wallace@bracewell.com>; Som de Cerff, Johanna L. <Johanna.SomdeCerff@irs.counsel.treas.gov>
Subject: Gregory-Portland ISD Request for Temporary Extension of Reimbursement Period for Projects Eligible for Tax-Exempt Financing

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Gentlemen,

On behalf of the Gregory-Portland Independent School District, we respectfully submit this letter requesting a temporary extension of the reimbursement period for projects otherwise eligible to be financed on a tax-exempt or tax-advantaged basis and expressing the District's support for the proposal addressing that issue in the letter sent to Congressional leadership by the National Association of Bond Lawyers on April 9, 2020 (attached for your convenience). The extension of the reimbursement period would provide relief to state and local governmental issuers whose bond issuances have been delayed due to circumstances outside of their control caused by the COVID-19 pandemic and is an essential piece of addressing the working capital needs of state and local governments.

We applaud the efforts that Treasury and the IRS have already made to respond to the pandemic and appreciate your continued attention. If there is any additional information that would be helpful to you in addressing the reimbursement period extension, we would be happy to provide that to you.

Respectfully,
Victoria Ozimek

VICTORIA N. OZIMEK

Partner

victoria.ozimek@bracewell.com | download v-card

T: +1.512.542.2103 | F: +1.800.404.3970 | M: (b)(6)

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UST_001262

Ideas

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Van Hove, Jeffrey" <jeffrey.vanhove2@treasury.gov>, "Brashares, Edith" <edith.brashares@treasury.gov>, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>, "Weiser, Carol" <carol.weiser@treasury.gov>, "Harter, Chip" <lafayettechip.harter@treasury.gov>
Date: Wed, 24 Jun 2020 06:37:56 -0400

As you work on your lists of ideas, I thought I would send the following item from today's press clips

[CQ Roll Call](#) (6/23, Shutt, 154K) reports Senate Republicans "began to turn their attention back to COVID-19 relief Tuesday, huddling with Treasury Secretary Steven Mnuchin to discuss when they might begin negotiations with Democrats on another aid package." Mnuchin said after the meeting, "We're talking about a bunch of different ideas that we may need to do in another bill, and we want to take our time and make sure we're thoughtful. **So whatever we do, it will be much more targeted, much more focused on jobs, bringing back jobs and making sure we take care of our kids.**" According to Roll Call, "Republicans didn't appear ready to coalesce around any specific set of policies at this point, however, opting to continue to wait for more data." The [AP](#) (6/23, Taylor) says that, on Tuesday, neither Mnuchin – "the lead White House negotiator on the first package – nor Trump's GOP allies raced to endorse the idea."

David J Kautter
Assistant Secretary of the Treasury (Tax Policy)
Office (202) 622-0050

UST_001263

RE: law 360 article

From: "Kautter, David" <"o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Harter, Chip" <lafayettechip.harter@treasury.gov>
Date: Wed, 24 Jun 2020 10:34:32 -0400

(b)(5) DP

Interesting article

From: Harter, Chip <LafayetteChip.Harter@treasury.gov>
Sent: Wednesday, June 24, 2020 10:19 AM
To: Kautter, David <David.Kautter@treasury.gov>
Subject: FW: law 360 article

Thank you for the article from MNE. It was very thoughtful, and I had not seen it.

In case you missed it, below is an article from Law360 regarding statements by Pascal Saint-Amans, who is reported as saying that agreement is unlikely this year, pointing to the US elections.

Chip

From: (b)(6) <(b)(6)@treasury.gov>
Sent: Wednesday, June 24, 2020 8:19 AM
To: Harter, Chip <lafayettechip.harter@treasury.gov>
Cc: (b)(6) <(b)(6)@treasury.gov>; Huynh, Quyen <Quyen.Huynh@treasury.gov> (b)(6)
(b)(6) <(b)(6)@treasury.gov>
Subject: FW: law 360 article

I assume you have seen this.

Kevin C. Nichols
Office of International Tax Counsel
U.S. Department of the Treasury
202-622-9461
Hang in there. Stay safe.

Conditions Not Ideal For 2020 Tax Deal, OECD Tax Chief Says

By [Todd Buell](#) · June 23, 2020, 5:36 PM EDT

Political conditions aren't likely to lead to a global taxation reform deal this year, the [Organization for Economic Cooperation and Development](#) official leading the talks told Law360 on Tuesday, days after the United States said it wanted to slow the process.



Pascal Saint-Amans of the Organization for Economic Cooperation and Development said the United States remained engaged in negotiations to overhaul the global tax system, despite recent suggestions it was withdrawing from the process. ([Getty Images](#))

Speaking with Law360 via Zoom, Pascal Saint-Amans, head of the OECD's Center for Tax Policy and Administration, stressed that the U.S. remained engaged in the negotiations among 137 countries and territories on reforming the global corporate tax system, even after it [sent a letter](#) this month that suggested it was withdrawing from the process.

"The U.S. is engaged in the negotiations," said Saint-Amans, who is leading the talks as the OECD's tax chief.

Nevertheless, the U.S. letter represented the United States' latest challenge to the global talks, coming six months after the U.S. surprised and disappointed many by arguing that whatever deal is achieved on a reallocation of taxing rights

UST_001264

[should be optional](#).

The talks, held among the OECD's 37 member countries as well as 100 nonmembers participating as part of the OECD's inclusive framework, were expected to result in a deal on the two aspects of the project by the end of this year. The first so-called pillar of the OECD project involves reallocating taxing rights to countries unable to benefit from the digital commerce within their borders under current rules. The second pillar is a minimum tax.

Saint-Amans admitted that this timeline is unlikely to be achieved.

"It would take some hard decisions from the members" to stick to the proposed timeline, he said.

"If politically the leaders, the finance ministers, say that it's a topic of importance and we need to resolve it, yes we could, but the political conditions don't seem gathered," he said.

The essence of the U.S. letter asking to pause the process was that the U.S. didn't want to reach a political agreement on reforms ahead of the coming presidential election on Nov. 3, Saint-Amans said.

The OECD official stressed that the U.S. is engaging in the process, as is the American business community. The business community will remain a constant regardless of who is in the White House, Saint-Amans said.

"There is no risk of the process falling apart in 2020," he said. "Countries are there. We are working and I haven't heard anyone say, 'Get lost, we want out.'"

While he said that a victory by presumptive Democratic presidential nominee Joe Biden over incumbent Donald Trump might change the tone of the negotiations from Washington, it would mean that a deal by year's end would "by definition" not be possible because Biden would take office in January next year.

Getting Congress' approval for a possible deal might be easier than under current conditions were Republicans to win the Congress while Trump kept the White House, Saint-Amans said.

"The idea that going to Congress makes an agreement difficult — maybe that changes if the Republicans had Congress plus the White House," he said.

He repeated a long-standing warning that if no deal is reached by the end of this year, trade tensions could result from "tax wars turning to trade wars."

"And that's a serious concern for the world economy," Saint-Amans said.

The United States has used [aggressive trade policies](#) to push back against countries both inside and outside Europe that have put digital services taxes in place.

Next month the OECD is likely to release an economic impact assessment on the cost of a trade war, which Saint-Amans said isn't "trivial," even if it might seem small compared to the economic damage from the COVID-19 pandemic.

"There is a real concern of delays resulting in trade tension," he said, but added that "a complete collapse" of the talks isn't on the agenda.

Saint-Amans also cited a "dissonance" of viewpoints between the United States and Europe on digital taxes.

In Europe, there is a general perception that big technology companies don't pay enough taxes. This perception has been reinforced by the pandemic, which has allowed digital companies to thrive while causing shutdowns of brick-and-mortar companies.

"When you look through the window, what do you see? Deliveries of [Amazon](#), and retail shops closed," he said.

At a time when the U.S. is spending trillions on the coronavirus recovery, fighting over the tax revenue of technology companies may seem trivial, Saint-Amans acknowledged. He also said he was aware of the American perception that the OECD is targeting U.S. companies. The perception is not the same in Europe, and "that may explain the shared frustration between the parties," he said.

Saint-Amans said he received a "strong message" that the U.S. doesn't want a political discussion or agreement before the election. He noted, however, that the U.S. hasn't explicitly rejected the notion of a deal by the end of the year, however unlikely it may be.

"We just need to keep herding the cats," he said.

UST_001265

A possible way forward would be to separate the two reform pillars that are being discussed. The United States supports the second pillar — the minimum tax — along with France and Germany.

"I think there will probably be a discussion between members about whether it's a package or not," he said. "What I can say is Pillar Two is well advanced. What would be needed to finalize Pillar Two are some political calls — and among those is the question of the link to Pillar One."

Work on the process has continued despite the COVID-19 outbreak, though travel restrictions have meant that meetings are being held remotely. The OECD said in May that it would [move a key meeting](#) of the inclusive framework from early July to October. The inability to meet in person has made the negotiations more difficult, according to Saint-Amans.

"You really advance the negotiations at the coffee breaks," he said.

Between now and the fall, the OECD will keep working to develop the first pillar, he said.

"Pillar One is all but easy," he said. "There are serious concerns expressed by business on how complicated it is, and these are fair concerns."

Developing countries also have significant concerns, he added.

"We need to keep this work going on so that in October, as regards Pillar One, that we have a very good basis for an agreement or a very good basis for further negotiation towards an agreement," Saint-Amans said. "In spite of frustrations which have been expressed, everybody understands that passing the U.S. election is certainly not a bad thing in terms of realpolitik."

Saint-Amans insisted that the OECD is the appropriate venue for setting international tax standards, firmly rejecting criticism from many nongovernmental organizations that the OECD process unfairly favors rich countries. Some critics have advocated that the discussions be moved to the [United Nations](#).

"The U.N. is the place that looks at climate change, sustainable development goals, and it's generally the body for discussing the big problems that need to be solved at the global level," Tove Maria Ryding, a tax specialist with Eurodad, the Brussels-based NGO, told Law360. "So it's very important also to discuss where the money is going to come from."

Ryding said she was keen to have the U.N., the body that also discusses human rights, decide on global tax cooperation.

Saint-Amans challenged the notion that the OECD process doesn't consider the voices of developing countries.

The view of the OECD "that it's exclusive [and] driven by the U.S., versus the U.N., which is inclusive, is largely in the minds of NGOs," he said. Pointing to the 137 members of the inclusive framework, Saint-Amans said, "I haven't heard them say, 'We're going to walk away or pull out because this is a U.S. organization.'"

Nevertheless, those advocating for more reforms to the tax system to benefit developing countries are correct to identify a weakness.

In an [April report](#) on taxation in response to the coronavirus pandemic, the OECD said that "the time is right to assess the benefits for low-income countries" from recent international tax reforms, such as the OECD's program against base erosion and profit shifting.

"This stock-taking exercise may be an opportunity to reexamine how international tax rules currently meet the needs of developing countries," the report said.

"Do we deliver enough for developing countries? Probably not enough," Saint-Amans acknowledged, adding that he "would be keen on delivering more in developing countries."

--Editing by Robert Rudinger and John Oudens.

From: Jason.Yen@treasury.gov [<mailto:Jason.Yen@treasury.gov>]

Sent: Wednesday, June 24, 2020 7:55 AM

To: Tan Carol B

Cc: Nichols Kevin

Subject: law 360 article

Carol,

UST_001266

Any chance you could help us pull this article? Thanks!

<https://www.law360.com/tax-authority/articles/1285952/conditions-not-ideal-for-2020-tax-deal-oecd-tax-chief-says>

(b)(6)

U.S. Department of the Treasury

Tel: +1-202-622-1776

(b)(6) [@treasury.gov](mailto:(b)(6)@treasury.gov)

UST_001267

RE: URGENT - Filing Deadline

From: "Kautter, David" <"o=ustreasury/ou=exchange administrative group (fydibohf23spdlit)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "McEntee, Zachary" <zachary.mcentee@treasury.gov>
Date: Wed, 24 Jun 2020 16:38:04 -0400

Got it, thanks

From: McEntee, Zachary <Zachary.McEntee@treasury.gov>
Sent: Wednesday, June 24, 2020 12:44 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: Secretary Mnuchin
Subject: Fwd: URGENT - Filing Deadline

FYI

From: Cesar Conda <cesar.conda@navigatorsglobal.com>
Date: June 24, 2020 at 12:41:35 PM EDT
To: McEntee, Zachary <Zachary.McEntee@treasury.gov>
Subject: URGENT - Filing Deadline

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

Hi Zac,

We understand that Sec. Mnuchin and Commissioner Rettig will be on the Hill from 1-7 pm today for meetings related to tax filing season. On behalf of our client Intuit, please consider the concerns below about pushing the filing date.

Happy to get Intuit folks on the phone with you or your staff if needed.

Thanks,

CESAR CONDA

TOPLINES

- Maintaining the upcoming July 15 tax *filing* deadline is important for a number of reasons outlined below, however - allowing tax *payment* relief in the form of deferred payments, while maintaining the filing deadline, will ensure those who are due refunds file and results in those refund dollars being distributed - while payment relief aids those taxpayers who owe.
- This sensible solution would prevent further fiscal and regulatory disaster on the federal and state levels while giving taxpayers the peace of mind that they have more time to make their payment in full.
- Extending the tax filing deadline beyond July 15 poses a number of fiscal and regulatory dangers for federal and state government institutions, including an inevitable disruption to next tax season's launch and operations delaying \$150B in refunds during January and February to the mostly low-income Americans.

Tax Refunds Help Fuel Economy

- Based on IRS data, there is about \$60B in refunds remaining to be returned to taxpayers for tax year 2019.
- That's \$60B sitting in Federal government coffers that could be injected into the economy when it's needed the most.

Need to Prevent State Budget Shortfalls

- Since most states align their income tax filing with the federal government, July 15 is also an important date for

UST_001268

state budgets that have already been slashed in the wake of COVID-19.

- Personal income taxes make up an astonishing 38% of total state tax revenue.
- Current estimates show that state budget shortfalls will ultimately reach about 15 percent in the current fiscal year (which ends on June 30 in 46 states) and more than 25 percent in fiscal year 2021 based on recent economic projections.
- Keeping the July 15 filing date will maintain expected revenue influx that could prevent further cuts to important public services in the wake of COVID 19.

Next Season Impact

- Any further filing season delay beyond July 15 will impact the ability of the IRS to prepare for the 2020 tax season. This alone could delay \$150B in refunds during January and February to the mostly low-and middle-income Americans for whom those monies are crucial.

UST_001269

RE: Flagging: AP: US Inmates Got Virus Relief Checks, and IRS Wants Them Back

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6)@treasury.gov, "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>
Date: Thu, 25 Jun 2020 10:17:39 -0400

(b)(5) DP

From: (b)(6)@treasury.gov
Sent: Thursday, June 25, 2020 10:07 AM
To: Kautter, David <David.Kautter@treasury.gov>; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Subject: FW: Flagging: AP: US Inmates Got Virus Relief Checks, and IRS Wants Them Back

(b)(5) DP

From: (b)(6)@treasury.gov
Sent: Thursday, June 25, 2020 9:26 AM
To: DL Public Affairs <PublicAffairsDL@do.treas.gov>
Subject: Flagging: AP: US Inmates Got Virus Relief Checks, and IRS Wants Them Back

AP: US Inmates Got Virus Relief Checks, and IRS Wants Them Back (6.24.20)

Hundreds of thousands of dollars in coronavirus relief payments have been sent to people behind bars across the United States, and now the IRS is asking state officials to help claw back the cash that the federal tax agency says was mistakenly sent.

The legislation authorizing the payments during the pandemic doesn't specifically exclude jail or prison inmates, and the IRS has refused to say exactly what legal authority it has to retrieve the money. On its website, it points to the unrelated Social Security Act, which bars incarcerated people from receiving some types of old-age and survivor insurance benefit payments.

"I can't give you the legal basis. All I can tell you is this is the language the Treasury and ourselves have been using," IRS spokesman Eric Smith said. "It's just the same list as in the Social Security Act."

Tax attorney Kelly Erb, who's written about the issue on her website, says there's no legal basis for asking for the checks back.

"I think it's really disingenuous of the IRS," Erb said Tuesday. "It's not a rule just because the IRS puts it on the website. In fact, the IRS actually says that stuff on its website isn't legal authority. So there's no actual rule — it's just guidance — and that guidance can change at any time."

After Congress passed the \$2.2 trillion coronavirus rescue package in March, checks of up to \$1,200 were automatically sent in most cases to people who filed income tax returns for 2018 or 2019, including some who are incarcerated. A couple of weeks later, the IRS directed state correction departments to intercept payments to prisoners and return them.

The IRS doesn't yet have numbers on how many payments went to prisoners, Smith said. But initial data from some states suggest the numbers are huge: The Kansas Department of Correction alone intercepted more than \$200,000 in checks by early June. Idaho and Montana combined had seized over \$90,000.

Washington state, meanwhile, had only intercepted about \$23,000 by early June. Some states, like Nevada, have refused to release the numbers, citing an IRS request for confidentiality.

While the IRS says checks sent to jail inmates also should be returned, the sheer number of jails and detention centers across the U.S. makes it difficult to tell if many are following those instructions.

The IRS seems to have decided by itself to pull back the payments approved by Congress, said Wanda Bertram, a spokeswoman for the Prison Policy Initiative, a think tank focusing on the harm of mass incarceration. She says prison officials are accustomed to intercepting tax documents to screen for potential scams, priming them to follow this request.

"It appears that the IRS is just making this up," Bertram said.

Inmates and their families need the money, she said, especially as prisons try to reduce the spread of the virus by instituting lockdown conditions or releasing thousands of inmates who are then trying to get back on their feet.

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Lockdowns can increase expenses for inmates because they are often given lower-quality food or fewer meals and need to supplement by buying food from prison commissaries. Family and friends on the outside often cover those costs, and many have lost jobs during the economic downturn, Bertram said.

"Loved ones right now are also under a squeeze because of the pandemic and being out of a job, so when you send a stimulus check for someone, the person in prison is not the only one who benefits from that," Bertram said.

Intercepting relief checks may also have a disproportionate impact on Black and Hispanic inmates, who are incarcerated at a higher rate than white Americans. Black people are imprisoned at roughly twice the rate of Hispanic residents, and more than five times the rate of whites as of last year, according to the U.S. Department of Justice's Bureau of Justice Statistics.

Prison officials nationwide have been trying to intercept the checks, with varying results. Officials in Vermont, Mississippi, Pennsylvania, Arizona and California estimated that they each had intercepted fewer than a dozen checks as of early June. Oregon prison officials had seized 25 payments, with 21 returned to the IRS and four others given to relatives or other joint tax filers.

Kaitlin Felsted, a spokeswoman for the Utah prison system, said the state had intercepted 28 checks so far but noted that any relief money sent to an inmate's home address wouldn't be touched by prison officials.

Some states, like Alaska and Wyoming, aren't tracking the number of payments they intercept.

It's not clear if inmates have any recourse, said Erb, the tax attorney.

Those who are released before year's end and who didn't get a relief check can try to claim the missing money as a credit on their 2021 tax returns, but it's not clear if the IRS will honor such claims, Erb said. Other inmates may be out of luck.

"I think somebody has to sue, and you have to have the resources to be able to do that," she said. "I don't know that there's anything most people can do besides complain and see if they can attract some attention. You have to have somebody who will step up and be an advocate for that segment of the population."

Contributing are Associated Press journalists Amy Beth Hanson Jonathan Mattise, Andrew Selsky, Emily Wagster Pettus, Rachel La Corte, Michelle L. Price, Mark Scolforo, Don Thompson, John Hanna, Mead Gruver, Jacques Billeaud, Lindsay Whitehurst, Mark Thiessen and Wilson Ring.

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UST_001271

FW: NOL Advance Proposal - Status?

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: Fri, 26 Jun 2020 10:27:49 -0400

Please see below. (b)(5) DP

From: DuBose, Danielle (Toomey) Senate email
Sent: Friday, June 26, 2020 10:19 AM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: (b)(6) @treasury.gov
Subject: NOL Advance Proposal - Status?

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

Hi Dave,

Thanks for all the hard work you and your team have been doing to respond to the coronavirus pandemic. I wanted to check in with you on a proposal we have heard about from retailers back in PA. The proposal is to allow companies who are experiencing losses in 2020 to get an advance for their NOL carryback (NOT carryforwards), as authorized by CARES, during the 2020 year. Attached is a whitepaper on the issue from Skadden. My boss thinks this proposal makes sense and supports it. The companies and their advocates say they have talked with folks at Treasury who are supportive and believe they have the Administrative authority to implement this change through regulation. Is this accurate, and if so what can we do to help move this change forward?

The trickiest part of implementing this would be determining the amount of the loss that should be advanced since the year is only halfway through, but one proposal we think makes sense is allowing the companies to claim an advance for 50% of their loss through Q2. This would be one way of accounting for the fact that hopefully income to these businesses will pick up in the second half of the year.

Sincere thanks for any insight you have to share on this.

Best,

Danielle

Danielle DuBose
Tax Policy Adviser
Office of Senator Pat Toomey

Senate email



UST_001272

RE: FET

From: "Kautter, David" <"o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>
Date: Fri, 26 Jun 2020 13:41:12 -0400

Thanks

From: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Sent: Friday, June 26, 2020 1:35 PM
To: Kautter, David <David.Kautter@treasury.gov>; Van Hove, Jeffrey <Jeffrey.VanHove2@treasury.gov>; Brashares, Edith <Edith.Brashares@treasury.gov>; Carlson, Curtis <Curtis.Carlson@treasury.gov>; Hawkins, Hannah <Hannah.Hawkins@treasury.gov>; York, Brett <Brett.York@treasury.gov>; Pinter, Kimberly <Kimberly.Pinter@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>
Cc: (b)(6) <(b)(6)@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>
Subject: RE: FET

Dave, et al.

Please see attached and below from NADA regarding a legislative proposal to suspend through 2021 of excise taxes on trucks and trailers.

Kim/Bernetta, please add the incoming to the FOIA folder.

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](tel:+12026220835)
Email: krishna.vallabhaneni@treasury.gov

From: (b)(6) <(b)(6)@treasury.gov>
Sent: Friday, June 26, 2020 1:08 PM
To: Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>
Subject: Fwd: FET

Hi Krishna,
Passing this on. Who would be the lead on this type of issue at Treasury?
Thanks.

From: Meade, Rich <rich.meade@prime-policy.com>
Date: June 26, 2020 at 10:50:34 AM EDT
To: (b)(6) <(b)(6)@treasury.gov>
Subject: FET

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

Aharon, I hope this note finds you well and safe. And congratulations on your new position!

We represent the National Automobile Dealers Association (NADA). NADA is part of the Modernize the Truck Fleet coalition. The coalition is seeking a suspension of the 12% Federal Excise Tax (FET) on new heavy duty trucks and trailers until the end of 2021 as a spur to economic growth.

While the trucking industry is always an indispensable part of the nation's supply chain, it is even more so during the pandemic. Sales of heavy duty trucks and trailers are expected to be down by at least 50% in 2020. The FET, first enacted in 1917 to pay for WWI, adds as much as \$22,000 to the cost of a new heavy duty truck.

UST_001273

There are 7.8 million trucking related jobs. Companies and trade associations representing many of these jobs, from Cummins, Mack Trucks, National Beer Wholesalers Association, National Retail Federation, to the American Trucking Association (ATA) and many more are part of the coalition seeking this suspension. It would spur sales and help stimulate the economy, with the added benefit of modernizing a slowly aging fleet with safer and cleaner vehicles. The ATA surveyed its members. It found that if the FET did not have to be paid, nearly 60% of fleets said they were somewhat or very likely to buy additional trucks and trailers beyond their scheduled buy, including the nearly 25% who said they were "very likely" to do so. This stimulus incentive would require no new paperwork or programs.

If you are not able to opine on this issue, could you suggest how best to pursue this proposal at the Treasury Department? Is there a working group or office you can connect me to?

Thanks for your consideration.

Best,

Rich

Rich Meade

Vice Chairman

1801 K Street, NW | Suite 9000 | Washington, DC 20006

202 530 4823 | Mobile (b)(6) <https://hyperlink.services.treasury.gov/agency.do?origin=www.prime-policy.com>

[@remeade](#)



A WPP Group Company: <https://hyperlink.services.treasury.gov/agency.do?origin=www.wpp.com>

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UST_001274

FW: Flagging: Slate: Who Cares if the IRS Sent Stimulus Checks to Dead People?

From: justin.muzinich@treasury.gov
To: Secretary Mnuchin
Cc: "Callanan, Brian" <brian.callanan@treasury.gov>, "Crowley, Monica" <monica.crowley@treasury.gov>
Date: Fri, 26 Jun 2020 14:10:09 -0400

This is a good article about Cares coverage generally — incl EIP and PPP.

From: (b)(6)@treasury.gov
Sent: Thursday, June 25, 2020 4:59 PM
To: DL_Public Affairs <PublicAffairsDL@do.treas.gov>
Subject: Flagging: Slate: Who Cares if the IRS Sent Stimulus Checks to Dead People?

Slate: Who Cares if the IRS Sent Stimulus Checks to Dead People? (Jordan Weissmann, 6.25.20)

This isn't the scandal journalists are making it out to be.

So it turns out the federal government sent more than 1 million coronavirus relief payments to dead people. That's according to [a report](#) released Thursday by the Government Accountability Office, which earned some breathless coverage from the [Washington Post](#) describing the "revelation" as a problem of "astonishing scope."

In fact, it's anything but. The IRS has sent out more than 160 million economic impact payments, worth \$269.3 billion since Congress passed the CARES Act in March. Out of all those direct deposits, checks, and debit cards, the GAO says that 1.1 million—or 0.4 percent of the total, worth about \$1.4 billion—went to individuals who are deceased. We are quite literally talking about a rounding error that appears to have been the product of Washington's efforts to get money to Americans as quickly as possible in the middle of an economic and public health disaster. The Post writes, "The report makes clear how, in the mad dash to pass legislation to prop up an economy in free-fall in the midst of an unprecedented pandemic, mistakes were made." But even calling this a "mistake" is a stretch, given that the alternative was to slow down the process of delivering much-needed aid.

Here's what appears to have happened. The IRS was required to send stimulus payments out to Americans based on the information contained in either their 2018 or 2019 tax returns. According to the GAO, the IRS's lawyers determined that it "did not have legal authority to deny payments to those who filed a return for 2019, even if they were deceased at the time of payment." Technically, they could have used the Social Security Administration's death records to double-check whether people who filed a tax return for 2018, but not 2019, were still alive. But they decided not to for the sake of speed.

This approach wasn't even without precedent. To fulfill the CARES Act's mandate to deliver payments as "rapidly as possible," the GAO explains, "Treasury officials said Treasury and IRS used many of the operational policies and procedures developed in 2008 for the stimulus payments, and therefore did not use the death records as a filter to halt payments to decedents in the first three batches of payments." Eventually, the Treasury and IRS reversed course and concluded that, actually, they did have the legal power to deny checks to dead people, and started verifying that recipients were alive in their fourth batch of payments.

On the Richter scale of public policy failures, this one barely registers; I am pretty sure the republic is going to survive if a few widows got a preloaded debit card with \$1,200 that was meant for their dead husbands. But the GAO is a government watchdog that exists to root out things like improper payments and thinks the government could have gone to greater lengths to prevent them, and should make more of an effort to get the money back. It says that so far, the agency has put a message on its website urging people to return any payments that were sent out to the deceased but not much else.

The real headline here should really be that the government did its job pretty well. When Congress passed the CARES Act, many were worried about how quickly the government could actually get money out the door. But within two weeks, the IRS had managed to deliver 80 million payments electronically. Its speed is part of the reason that poorer households were able to start [spending normally again](#) by May despite an unemployment rate rivaling the Great Depression's.

The fact that the Post is instead treating this topic like a small scandal reflects a broader problem with how some news organizations have covered the government's response to the coronavirus. Instead of focusing on the broad policy questions about whether programs were helping the economy as intended, many news outlets have focused on trying to track down every single instance of people and companies getting cash that they maybe didn't deserve. This phenomenon was most pronounced in the case of the Paycheck Protection Program, where journalists and activists harped on how some larger companies [like Shake Shack](#) were initially able to get loans through the small business rescue, [instead of focusing on more fundamental issues](#) like whether the effort was properly funded or if its rules made any sense. The whole phenomenon even earned a nickname—"PPP shaming"—and probably hampered the entire effort a bit, forcing the Treasury Department to try to tamp down on the public outcry by issuing a bunch of confusing edicts about which businesses were eligible for the program, rather than resolving basic questions about it like how loan forgiveness would actually work. (They only really got to that one in late May).

It's not a mystery why some journalists prioritize their coverage this way. "Dead guy gets money" is the kind of basic, nonpartisan shoe-leather story that a lot of beat reporters are conditioned to write. It's scoop, and in some cases, it is indeed important for public accountability purposes. But without proper context, it creates an appearance of deep bureaucratic incompetence where none exists and makes politicians less likely to back the kind of fast, decisive rescue actions that the economy needs to survive right now. (If you want incompetence, look to the Trump administration's public health failures.) The Post itself seems to realize this. "The news that so much money has gone to the dead could add to reluctance from some Republicans to agree to more direct relief payments," the paper suggests. Maybe politicians wouldn't overreact if journalists didn't either.

UST_001275

RE: July 15 deadline news release

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlit)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Crowley, Monica" <monica.crowley@treasury.gov>, "Lemons, Terry L" <terry.l.lemons@irs.gov>, (b)(6) <(b)(6)@treasury.gov>, "Eldridge, Michelle L." <michelle.l.eldridge@irs.gov>, Reynolds Jodie M <jodie.m.reynolds@irs.gov>
Date: Sun, 28 Jun 2020 17:04:49 -0400

I have a couple of changes below in red. In addition, if length is a problem, I would recommend dropping the People First and Online Tools sections. I am fine with leaving them in the interest of comprehensiveness but they are not a necessary part of the filing deadline message.

Thanks

Dave

From: Crowley, Monica <Monica.Crowley@treasury.gov>
Sent: Sunday, June 28, 2020 4:06 PM
To: Lemons, Terry L <Terry.L.Lemons@irs.gov>, (b)(6) <(b)(6)@treasury.gov>; Eldridge, Michelle L. <Michelle.l.eldridge@irs.gov>; Reynolds Jodie M <Jodie.M.Reynolds@irs.gov>
Cc: Kautter, David <David.Kautter@treasury.gov>
Subject: Re: July 15 deadline news release

Thanks Terry. Adding Dave Kautter. The Secretary will want the Commissioner to send him a final cleared draft in the morning. I'll take a look in a little while.

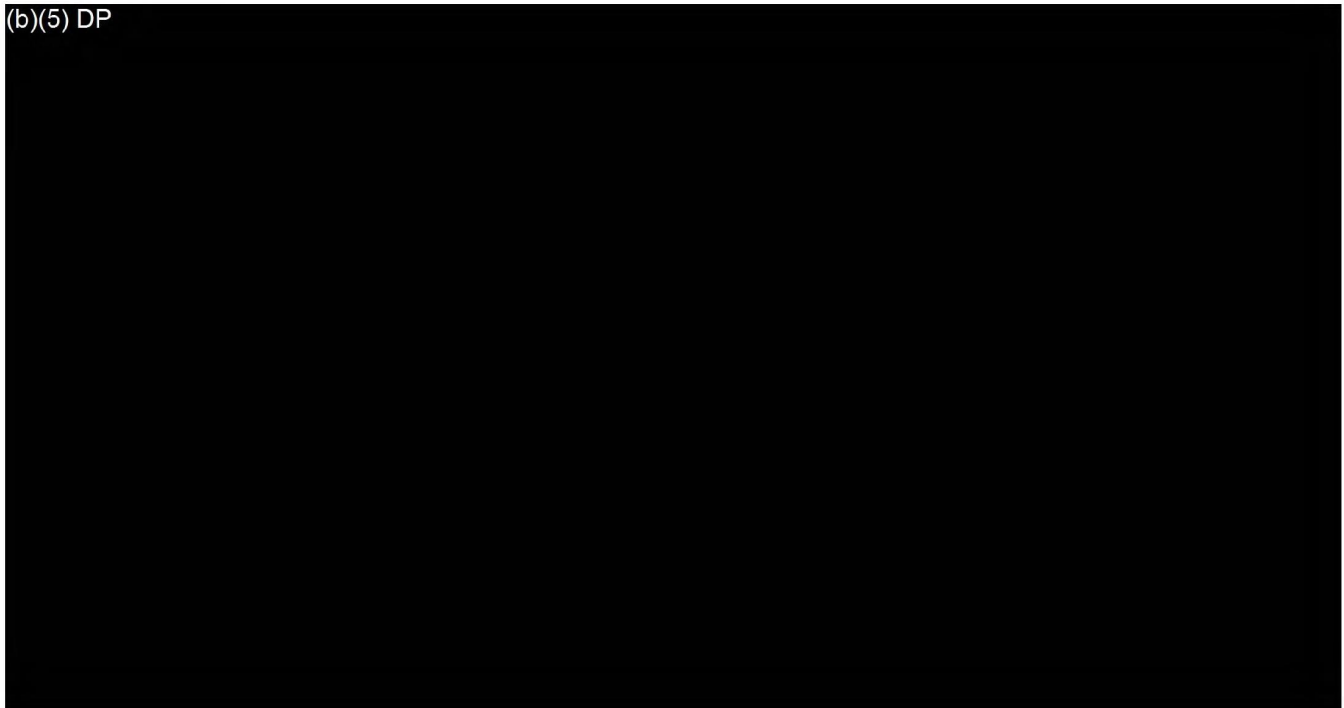
From: Lemons Terry L <Terry.L.Lemons@irs.gov>
Date: June 28, 2020 at 3:55:49 PM EDT
To: Crowley, Monica <Monica.Crowley@treasury.gov>, (b)(6) <(b)(6)@treasury.gov>, Eldridge, Michelle L. <Michelle.l.eldridge@irs.gov>, Reynolds Jodie M <Jodie.M.Reynolds@irs.gov>
Subject: July 15 deadline news release

Monica / Kaelan – here's the July 15 tax deadline news release. New information at the top; the bottom section reflects previously cleared material. We can also remove some of the information at the bottom if there's a concern about length.

Do we want to shoot for an 11 or 1130 release on Monday?

Thanks.

(b)(5) DP



UST_001276

RE: Filing Deadline

From: "Kautter, David" <"o=ustreasury/ou=exchange administrative group (fydibohf23spdlit)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: "Eubanks, Daniel" <daniel_eubanks@intuit.com>
Cc: "McCullough, Brian" <brian_mccullough@intuit.com>, "Leahy, Chris" <chris_leahy@intuit.com>
Date: Mon, 29 Jun 2020 16:10:39 -0400

Dan

You should have an answer on this later today.

Thanks

Dave

From: Eubanks, Daniel <Daniel_Eubanks@intuit.com>
Sent: Monday, June 29, 2020 4:06 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: McCullough, Brian <BRIAN_MCCULLOUGH@intuit.com>; Leahy, Chris <Chris_Leahy@intuit.com>
Subject: Re: Filing Deadline

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

Asst. Secretary,

I just wanted to circle back to see if there is anything else that we can do to be helpful. We stand ready as a resource for you, and are available whenever we can be of assistance. Have a great afternoon.

-Daniel Eubanks

Sent from my iPhone
Please excuse typos and shorthand.

On Jun 23, 2020, at 6:06 PM, Eubanks, Daniel <Daniel_Eubanks@intuit.com> wrote:

Asst. Secretary,

Thank you for the quick reply. Some thoughts below, happy to discuss at your convenience.

-Daniel

TOPLINES

- Maintaining the upcoming July 15 tax *filing* deadline is important for a number of reasons outlined below, however - allowing tax *payment* relief in the form of deferred payments, while maintaining the filing deadline, will ensure those who are due refunds file and results in those refund dollars being distributed - while payment relief aids those taxpayers who owe.

UST_001278

- This sensible solution would prevent further fiscal and regulatory disaster on the federal and state levels while giving taxpayers the peace of mind that they have more time to make their payment in full.
- Extending the tax filing deadline beyond July 15 poses a number of fiscal and regulatory dangers for federal and state government institutions, including an inevitable disruption to next tax season's launch and operations delaying \$150B in refunds during January and February to the mostly low-income Americans.

Tax Refunds Help Fuel Economy

- Based on IRS data, there is about \$60B in refunds remaining to be returned to taxpayers for tax year 2019.
- That's \$60B sitting in Federal government coffers that could be injected into the economy when it's needed the most.

Need to Prevent State Budget Shortfalls

- Since most states align their income tax filing with the federal government, July 15 is also an important date for state budgets that have already been slashed in the wake of COVID-19.
- Personal income taxes make up an astonishing 38% of total state tax revenue.
- Current estimates show that state budget shortfalls will ultimately reach about 15 percent in the current fiscal year (which ends on June 30 in 46 states) and more than 25 percent in fiscal year 2021 based on recent economic projections.
- Keeping the July 15 filing date will maintain expected revenue influx that could prevent further cuts to important public services in the wake of COVID 19.

Next Season Impact

- Any further filing season delay beyond July 15 will impact the ability of the IRS to prepare for the 2020 tax season. This alone could delay \$150B in refunds during January and February to the mostly low-and middle- income Americans for whom those monies are crucial.

From: "David.Kautter@treasury.gov" <David.Kautter@treasury.gov>

Date: Tuesday, June 23, 2020 at 5:31 PM

To: "Eubanks, Daniel" <Daniel_Eubanks@intuit.com>

Cc: "Leahy, Chris" <Chris_Leahy@intuit.com>, "McCullough, Brian" <BRIAN_MCCULLOUGH@intuit.com>

Subject: RE: Filing Deadline

This email is from an external sender.

Dan

Thanks for your email. I have two requests. One, can you please tell me why you think an extension "would cause significant harm to the economy and the tax administrations system"? My second request is related to the first. Based on your knowledge, who do you think would be in favor of an extension and who would not, e.g. state governments would probably not be in favor? All I am looking for are bullet points so please do not spend a lot of time on this.

Thanks

Dave

From: Eubanks, Daniel <Daniel_Eubanks@intuit.com>

Sent: Tuesday, June 23, 2020 4:41 PM

To: Kautter, David <David.Kautter@treasury.gov>

Cc: Leahy, Chris <Chris_Leahy@intuit.com>; McCullough, Brian <BRIAN_MCCULLOUGH@intuit.com>

Subject: Re: Filing Deadline

UST_001279

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Asst. Secretary,

I hope you are doing well. We saw the Secretary's comments earlier today regarding the tax filing deadline (link below) and were wondering if you could offer any additional perspective. We continue to feel, and have gotten similar feedback from others, that a filing deadline delay would cause significant harm to the economy and the tax administration system. Any insight would be incredible, also available by phone at your convenience.

<https://hyperlink.services.treasury.gov/agency.do?origin=https://news.bloombergtax.com/daily-tax-report/mnuchin-says-he-may-consider-second-tax-due-date-extension>

-Daniel Eubanks

Sent from my iPhone
Please excuse typos and shorthand.

On Jun 10, 2020, at 2:06 PM, "David.Kautter@treasury.gov" <David.Kautter@treasury.gov> wrote:

This email is from an external sender.

I can talk now. Tomorrow is not good for me. 202-622-0050

From: Eubanks, Daniel <Daniel_Eubanks@intuit.com>
Sent: Wednesday, June 10, 2020 2:01 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: Leahy, Chris <Chris_Leahy@intuit.com>; McCullough, Brian <BRIAN_MCCULLOUGH@intuit.com>
Subject: Filing Deadline

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

UST_001280

Asst. Secretary,

I hope you are doing well. We are hearing some chatter about the tax filing deadline and were hoping to speak with you directly to get a better understanding. Are you by chance free to talk for a few minutes tomorrow morning?

Thanks

--

Daniel Eubanks | Federal Government Relations

W : 202-484-9016 | M : 706-631-8190 | E: daniel_eubanks@intuit.com

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UST_001281

FW: Tax Administrative and Penalty Relief

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>, (b)(6)@treasury.gov, (b)(6)@treasury.gov
Date: Thu, 02 Jul 2020 09:41:07 -0400

FYI

From: Melissa Labant <Melissa.Labant@aicpa-cima.com>
Sent: Thursday, July 2, 2020 9:10 AM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: (b)(6)@treasury.gov; Melanie Lauridsen <Melanie.Lauridsen@aicpa-cima.com>; Edward Karl <Edward.Karl@aicpa-cima.com>
Subject: Tax Administrative and Penalty Relief

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

Dave –

Thank you for speaking with us last week about the July 15th deadline. We agree that keeping the deadline was the right decision. As we discussed, however, we recommend that Treasury and the IRS consider providing other administrative and penalty relief given the challenges created by COVID-19. The AICPA offers specific suggestions in the attached letter. We are happy to chat if you have any questions.

I hope you and your family are well.

Best,
Melissa

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UST_001282

RE: Consolidated Net Operating Losses

From: "Kautter, David" </o=ustreasury/ou=exchange administrative group (fydibohf23spdlt)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6) <(b)(6)@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>; "Vallabhaneni, Krishna" <krishna.vallabhaneni@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>
Date: Thu, 02 Jul 2020 15:21:12 -0400
Attachments: IR-2020-XXX CNOL (07.02.2020) PM draft JMRV2.docx (118.88 kB)

A couple of proposed changes

From: (b)(6) <(b)(6)@treasury.gov>
Sent: Thursday, July 2, 2020 3:13 PM
To: (b)(6) <(b)(6)@treasury.gov>; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>
Subject: RE: Consolidated Net Operating Losses

Hi (b)(6)

I am signed off on the press release.

Best regards,

Colin

From: (b)(6) <(b)(6)@treasury.gov>
Sent: Thursday, July 2, 2020 3:03 PM
To: (b)(6) <(b)(6)@treasury.gov>; Vallabhaneni, Krishna <Krishna.Vallabhaneni@treasury.gov>; (b)(6) <(b)(6)@treasury.gov>; Kautter, David <David.Kautter@treasury.gov>
Subject: Consolidated Net Operating Losses

Hi all,

The IRS has updated the NOL release (see below)

They're saying this needs to be out around 4:15 - if I could get the gang here to give me a thumbs up or provide any edits ASAP that'd be great.

(b)(5) DP



UST_001283

(b)(5) DP



For more information about this and other TCJA provisions, visit [IRS.gov/taxreform](https://www.irs.gov/taxreform) . Additional information about [tax relief for businesses affected by the COVID-19 pandemic](#) can be found on IRS.gov.

— 30 —

UST_001284

RE: Call with national companies to discuss pension funding stabilization

From: "Kautter, David" <"o=ustreasury/ou=exchange administrative group (fydibohf23spdlit)/cn=recipients/cn=946683dadce24f0fb93291a12cafc0f7-kautter, dave">
To: (b)(6)@treasury.gov>
Cc: (b)(6)@treasury.gov>, "Kowalski, Daniel" <daniel.kowalski@treasury.gov>
Date: Wed, 08 Jul 2020 13:27:35 -0400

(b)(6)

Thanks for sending. I am familiar with the proposals. If you wanted to have someone on the call, this is a BTC issue. I am not sure that is necessary.

Thanks

Dave

From: (b)(6)@treasury.gov>
Sent: Wednesday, July 8, 2020 1:22 PM
To: Kautter, David <David.Kautter@treasury.gov>
Cc: (b)(6)@treasury.gov>; Kowalski, Daniel <Daniel.Kowalski@treasury.gov>
Subject: FW: Call with national companies to discuss pension funding stabilization

Dave,

Wanted to flag the inbound below and attached from the American Benefits Council. They'd like to set up a call with several company representatives to discuss single employer defined benefit pension funding rules (and I assume, push for changes in an upcoming COVID bill). From what I gather from the email below, I don't think the call is super technical in nature (which I can work to confirm with ABC), so I'm not sure if you'd like anyone from OTP to join?

Additionally, it's worth flagging the two proposals ABC mentioned below as included in the House Dems' HEROES Act. Happy to track those down for you.

Let me know what you think. Happy to proceed how you see fit.

Thanks,
Julia

From: Lynn Dudley <LDudley@abcstaff.org>
Sent: Tuesday, July 7, 2020 8:56 PM
To: (b)(6)@treasury.gov>; Kowalski, Daniel <Daniel.Kowalski@treasury.gov>
Cc: Diann Howland <DHowland@abcstaff.org>
Subject: Call with national companies to discuss pension funding stabilization

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

Hello. My name is Lynn Dudley. I am the Senior Vice President Global Retirement and Compensation Policy for the American Benefits Council. I am writing to ask for a call with you so that several of our company members could share insight into the importance of the enactment of single employer defined benefit pension funding stabilization. The Council developed two proposals for single employer pension plans that have been included in the HEROES Act. One proposal extends and enhances "interest rate stabilization" which adjusts current interest rates to be closer to historical norms. The other proposal allows employers to pay for long-term pension liabilities, including those attributable to the economic impact of the pandemic, over 15 years, instead of seven years.

By way of background, I want to share a data study and a recent letter with you. The study really lays out the enormity of the pandemic impact on defined benefit pension plans, the sponsors and the participants and provides a sense of how much money would be drawn away from jobs and other business investments if reform is not undertaken. The letter responds to several questions that have been raised regarding the proposals.

We very much appreciate the leadership you all have taken in addressing the many challenges we are facing and appreciate your consideration of these proposals and willingness to talk with company representatives briefly

UST_001285

about their concerns. Please let me know if a brief call would be possible.

Lynn

UST_001286