

News Release

IMMEDIATE RELEASE

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CPAs Release Report on Tax Reform, Including 10 Tax Policy Objectives to Guide Decision Makers

*AICPA Report Says Change Is Necessary,
Transition to Any New System Will Be Difficult*

(Washington, D.C.—October 17, 2005) The American Institute of Certified Public Accountants (AICPA), the national association of CPAs, today released its nonpartisan tax reform report: *Understanding Tax Reform: A Guide to 21st Century Alternatives*. The report will serve as a guide to the upcoming debate. This easy-to-read-and-use report is being released just weeks before the Bush administration releases its own tax reform report, which is expected to propose major changes in the current tax system that will affect virtually every American.

“Tax reform is much tougher to accomplish than it is to envision,” said AICPA president and CEO, Barry Melancon. “However, the CPA profession has an unmatched understanding and knowledge of tax reform issues. This report will provide a clear understanding of the issues and alternatives involved with tax reform. It also will explain some of the most onerous problems for taxpayers that will occur during what we believe will be a very difficult transition from one system to the next.”

The AICPA report highlights 10 policy objectives it recommends *any* tax reform proposal be measured against:

- Simplicity
- Fairness
- Economic growth and efficiency
- Neutrality
- Transparency
- Minimizing noncompliance
- Cost-effective collection
- Impact on government revenues
- Certainty
- Payment convenience

“Changes to our current tax system are long overdue,” said Tom Ochenschlager, AICPA’s vice president for tax. “Policymakers need to thoroughly review the current system. We need, at the very least, to make it more understandable and easier to predict.”

According to Pam Pecarich, a retired partner of a major accounting firm, former chair of AICPA’s Tax Executive Committee, and the chair of the AICPA Tax Reform Task Force, “Anyone interested in tax reform needs to read this report. It’s a balanced look at the different types of tax reform proposals. It’s also a roadmap to the details that can trip up tax reformers. Reform of the current tax system could improve the status quo, but the objectives must be clear in order to keep the promise of reform.”

Copies of the report are available at www.aicpa.org/taxreform.

ABOUT AICPA

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with approximately 350,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates; and international associates. It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It also develops and grades the Uniform CPA Examination.

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