



American Institute of CPAs
1455 Pennsylvania Avenue, NW
Washington, DC 20004

July 16, 2015

The Honorable David Vitter
Committee on Small Business & Entrepreneurship, Chairman
United States Senate
428A Russell Senate Office Building
Washington, DC 20510

RE: Small Business Tax Compliance Relief Act of 2015

Dear Chairman Vitter:

The American Institute of Certified Public Accountants (AICPA) commends you on your efforts to improve the tax system through the Small Business Tax Compliance Relief Act of 2015 (“Act”). These largely systematic changes would reduce unnecessary administrative burdens for small businesses and improve tax administration for the Internal Revenue Service (IRS). We also believe these proposals will help shape a more efficient and effective tax system for our future.

The AICPA has been a longtime advocate of the Guiding Principles of Good Tax Policy,¹ which are imbedded in the Act. We believe that many of the proposals, such as the increase of the safe harbor *de minimis* threshold for the tangible property regulations will contribute to a more equitable and fair set of rules. We also believe that proposals similar to the penalty waivers in cases of good faith promotes certainty and transparency in the tax law. Such improvements should reduce small businesses’ compliance costs and encourage voluntary compliance through simplification of the rules.

We also recognize your efforts to begin simplifying the rules governing tax-favored retirement plans for small businesses. In particular, we applaud the provisions repealing the top-heavy rules, which are a highly-technical and devastating financial trap for the unwary. We would encourage you to further consolidate the various retirement plan options for small businesses and find ways to promote employee education and literacy in regards to retirement planning.

In conclusion, the AICPA appreciates and supports the Small Business Tax Compliance Relief Act of 2015. Tax reform, even in small increments, is felt poignantly and greatly appreciated within the small business community.

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¹ AICPA, Guiding Principles for Good Tax Policy: Framework for Evaluating Tax Proposals, 2001; <http://www.aicpa.org/taxreform>.

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The AICPA is the world's largest member association representing the accounting profession, with more than 400,000 members in 145 countries and a 125-year heritage of serving the public interest. Our members advise clients on Federal, state and international tax matters and prepare income and other tax returns for millions of Americans. Our members provide services to individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

We appreciate the opportunity to provide comments on this important bill. If you have any questions, please contact me at (801) 523-1051 or tlewis@sisna.com; Jeffrey Porter, Chair of the Tax Reform Task Force, at (304) 522-2553 or jporter@portercpa.com; or Melissa Labant, AICPA Director of Tax Advocacy, at (202) 434-9234, or mlabant@aicpa.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Troy K. Lewis". The signature is written in a cursive, flowing style.

Troy K. Lewis, CPA
Chair, Tax Executive Committee