



February 19, 2019

The Honorable Judy Chu  
United States House of Representatives  
2423 Rayburn House Office Building  
Washington, DC 20515

**Re: “Taxpayer Penalty Protection Act of 2019” (H.R. 1300)**

Dear Congresswoman Chu:

The American Institute of CPAs (AICPA) supports the Taxpayer Penalty Protection Act of 2019 (H.R. 1300) and commends you on your efforts to assist taxpayers as they deal with numerous and challenging changes resulting from Public Law No. 115-97, commonly referred to as the Tax Cuts and Jobs Act (TCJA).

The enactment of TCJA instituted a major reform of the Internal Revenue Code affecting millions of individual taxpayers. Due to the array of changes brought forth by TCJA and the need for extensive regulatory and administrative guidance, many taxpayers were unable to accurately estimate their tax liability for the 2018 taxable year. Additionally, as part of the implementation of TCJA, the Internal Revenue Service adjusted the withholding tables resulting in lower withholding. However, the adjusted withholding tables did not account for factors such as the elimination of the personal and dependency exemptions or reduced itemized deductions. As a result, taxpayers may have inadvertently under-withheld their taxes and potentially face penalties.

Therefore, the AICPA supports and appreciates<sup>1</sup> the meaningful relief that H.R. 1300 will provide individuals as they comply with their tax obligations. Given the tremendous amount of changes and uncertainty for the 2018 tax year and challenges that taxpayers and tax preparers continue to face during the filing season, it is both necessary and appropriate to provide additional penalty relief.

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The AICPA is the world’s largest member association representing the CPA profession, with more than 431,000 members in 137 countries and territories, and a history of serving the public interest since 1887. 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

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<sup>1</sup> AICPA, [“Penalty Relief Needed for Taxpayers for 2018 Filing Season,”](#) January, 28, 2019.

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individuals, not-for-profit organizations, small and medium-sized businesses, as well as America's largest businesses.

The AICPA welcomes an opportunity to provide additional input in further consideration of penalty relief. If you have any questions, please contact Melanie Lauridsen, Senior Manager – AICPA Tax Policy & Advocacy, at (202) 434-9235 or [Melanie.Lauridsen@aicpa-cima.com](mailto:Melanie.Lauridsen@aicpa-cima.com); Diana Deem, Director – AICPA Congressional & Political Affairs, at (202) 434-9276, or [Diana.Deem@aicpa-cima.com](mailto:Diana.Deem@aicpa-cima.com); or me at (408) 924-3508 or [Annette.Nellen@sjsu.edu](mailto:Annette.Nellen@sjsu.edu).

Sincerely,

A handwritten signature in black ink, appearing to read "A. Nellen". The signature is fluid and cursive, with the first letter of the first name being a large, stylized capital "A".

Annette Nellen, CPA, CGMA, Esq.  
Chair, AICPA Tax Executive Committee