

**Congress of the United States**  
Washington, DC 20510

July 3, 2008

The Honorable Douglas Shulman  
Commissioner  
Internal Revenue Service  
1111 Constitution Ave., NW  
Washington, DC 20224

Dear Commissioner Shulman:

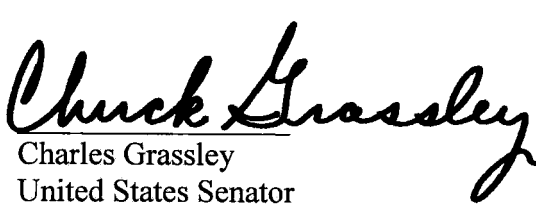
We are writing to request your assistance in protecting taxpayers from the unintended consequences of a well-intentioned but misguided tax policy. Many families around the country have been caught by what is referred to as the Incentive Stock Option (ISO) Alternative Minimum Tax (AMT). Because of the way stock options are treated by the AMT, many families are struggling under the weight of massive tax liabilities based on income they did not collect and never will collect. Many of these families have lived in the shadow of their tax liabilities for many years, and are waiting for Congress to take action.

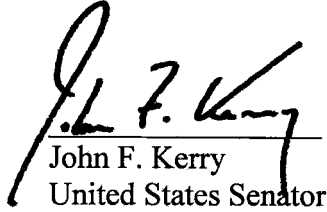
We are currently working to help these ISO AMT families through the enactment of H.R. 3861, the *AMT Credit Fairness and Relief Act of 2007* and its companion bill S. 2389. These bills work off of earlier legislation contained in the *Tax Relief and Health Care Act of 2006* to increase the AMT refundable credit amount for families and individuals with long-term unused credits for prior year minimum tax liability. This reflects the true tragedy for the ISO AMT families. Under current law they are entitled to use refundable credits into the future to compensate for what they owe now. However, they are being pressed to pay their current liabilities immediately, without regard for the refundable credits. These families are facing the garnishments of wages, foreclosures of homes, seizures of retirement accounts, and all the other tools available to the IRS to settle uncollected tax debts.

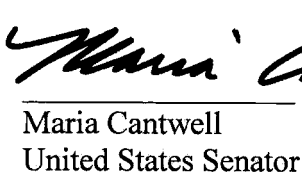
There is now a very broad bipartisan consensus to abate all interest and penalties attributable to ISO AMT liabilities and permit taxpayers to apply the full amount of their future refundable credits towards the entirety of their current ISO AMT liabilities. Moreover, there is now a strong bicameral commitment to enact legislation that accomplishes these goals in the near term this year. In light of that commitment, we are writing to ask that you use the discretion provided the IRS by its effective tax administration authority to suspend efforts to collect ISO AMT liabilities while Congress acts to fix this situation and to take Congress' determination to act in this matter into consideration when allocating limited collection resources this year.

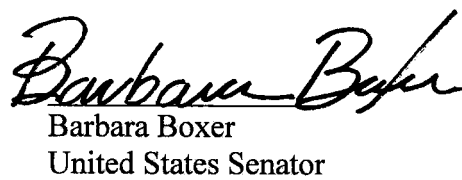
We are committed to protecting these families from the burdens of a tax policy that was never meant to have taxed them so much on so little actual income. We would be grateful if we could count on your assistance with this issue.

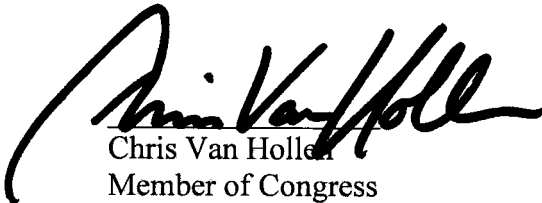
Sincerely,

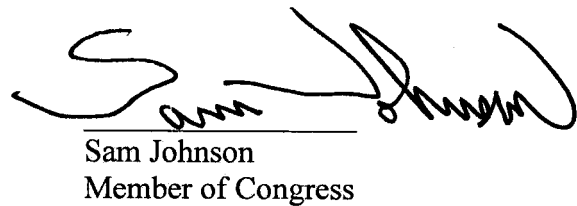
  
Charles Grassley  
United States Senator

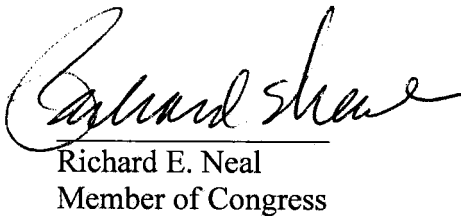
  
John F. Kerry  
United States Senator

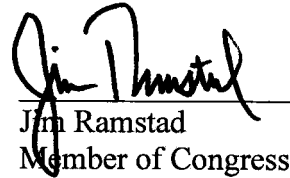
  
Maria Cantwell  
United States Senator

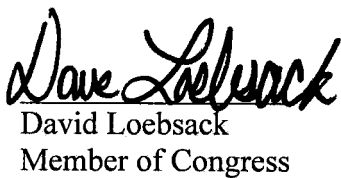
  
Barbara Boxer  
United States Senator

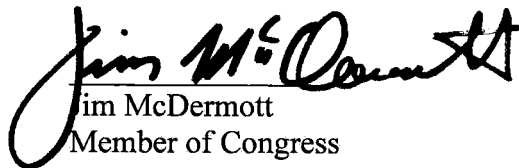
  
Chris Van Hollen  
Member of Congress

  
Sam Johnson  
Member of Congress

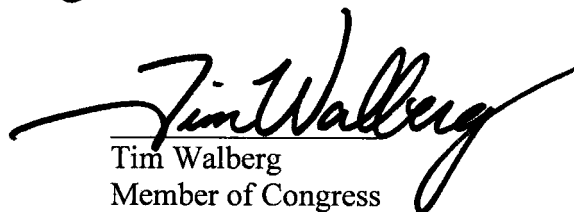
  
Richard E. Neal  
Member of Congress


  
Jim Ramstad  
Member of Congress


  
David Loeb sack  
Member of Congress


  
Jim McDermott  
Member of Congress


  
Zoe Lofgren  
Member of Congress


  
Tim Walberg  
Member of Congress


  
Jon C. Porter  
Member of Congress

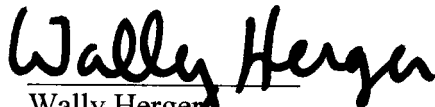
  
Melissa L. Bean  
Member of Congress

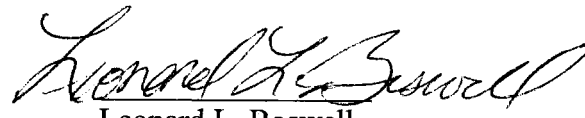
  
Patrick J. Kennedy  
Member of Congress

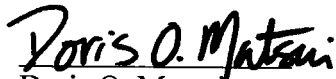
  
Anna G. Eshoo  
Member of Congress

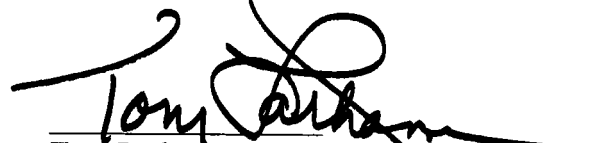
  
Michael M. Honda  
Member of Congress

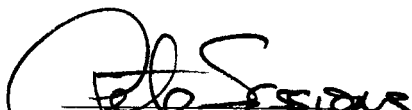
  
Shelley Berkley  
Member of Congress

  
Wally Herger  
Member of Congress

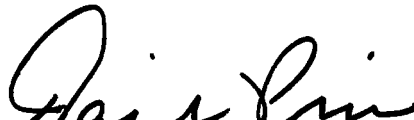
  
Leonard L. Boswell  
Member of Congress

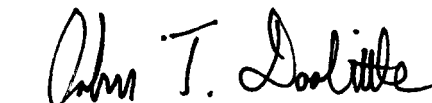
  
Doris O. Matsui  
Member of Congress

  
Tom Latham  
Member of Congress

  
Pete Sessions  
Member of Congress

  
Elijah E. Cummings  
Member of Congress

  
David E. Price  
Member of Congress

  
John T. Doolittle  
Member of Congress

A stylized, handwritten signature in black ink that reads "Tom Davis". The signature is written in a cursive, flowing style with a horizontal line underneath the text.

Tom Davis

Member of Congress