

UNITED STATES SENATOR • IOWA
CHUCK GRASSLEY
RANKING MEMBER • SENATE COMMITTEE ON FINANCE

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Contact: Jill Kozeny, 202/224-1308
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MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber, 202/224-6522
Re: Abusive tax transaction regulations
Da: Monday, Dec. 30, 2002

Sen. Chuck Grassley, incoming chairman of the Committee on Finance, was the co-sponsor in the last Congress of legislation to rein in abusive tax shelters designed to avoid paying taxes. The Finance Committee passed the bill in June, but the measure never received full Senate consideration before adjournment. Today, the Treasury Department announced proposed rules limiting the penalty defenses for tax shelter participants who do not disclose tax shelters on their returns. Grassley made the following comment on the new regulations.

“I appreciate the Treasury Department’s attention to cracking down on abusive tax shelters. The practice of relying on abusive tax shelters didn’t grow overnight, and it won’t end overnight. Every step like this helps to weaken the fertile ground that’s allowed abusive tax shelters to flourish. In the new Congress, I look forward to re-introducing strong, bipartisan anti-tax shelter legislation to support and expand Treasury’s efforts to force the disclosure of shelter transactions. Sunshine is the best disinfectant.”