

# Disclosure Will Improve Public Image Of Tax System, Tax Group Says.

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## ===== SUMMARY =====

Sherwin P. Simmons of the American College of Tax Counsel, Nashville, Tenn., has asked for Treasury's support in establishing congressional disclosure rules for all tax legislation that is narrowly targeted to benefit a limited number of taxpayers. Simmons states that the rules should require that this type of legislation be accompanied by public disclosure of the intended beneficiaries, the sponsoring congressional members, and the estimated revenue impact. The disclosure will help to correct the negative public perception of the tax legislative process and tax laws, Simmons says.

## ===== FULL TEXT =====

February 27, 1993

The Honorable Leslie B. Samuels  
Assistant Secretary (Tax Policy) -- Designate  
U.S. Department of the Treasury  
Washington, D. C. 20225

Dear Mr. Samuels:

The history of recent tax legislation discloses that often there are narrowly targeted transition rules designed to benefit only one or a very limited number of taxpayers. The 1993 tax legislative effort will likely afford new opportunities for targeted transition.

The American College of Tax Counsel */\** urges your support in establishing Congressional rules to the effect that all tax legislation that is narrowly targeted to benefit only a very limited number of taxpayers will be accompanied by public disclosure of the intended beneficiaries, the sponsoring Congressional members, and the estimated revenue effect.

We believe that the suggested "sunshine" is essential to avoid a negative public perception of the tax legislative process and of our tax laws. You are undoubtedly aware of the past highly critical media commentaries in this area, and of their use of such related derogatory terminology as "Christmas tree" bills to cover such legislation. We believe that the public disrespect for our tax laws that is generated thereby seriously affects taxpayer compliance to the substantial detriment of our tax system.

We do not oppose transitional provisions when unanticipated new or changed laws are enacted. To the contrary, such provisions may themselves be necessary for a healthy taxpayer view of the system.

Business and personal decisions often involve substantial investments of time and money before they are finally consummated. Transitional provisions may add a measure of predictability and stability to a greatly complicated tax structure. We believe, however, that transitional provisions, or other provisions affording special benefits, should in most cases be drafted to apply generally to all taxpayers who are in substantially similar circumstances. We believe too that, where the benefits of a transitional provision are confined to one or a limited number of taxpayers by reason of equities that arise in unique or highly unusual circumstances, public disclosure will alleviate concern that the tax system is riddled with secret deals not available to the average taxpayer.

We are writing this letter to all those in government involved in the tax legislation process. We recognize that many recipients of this letter have already declared their support or otherwise acted consistently with the suggested "sunshine". We solicit your help and that of all other recipients of this letter in supporting the embodiment of the sunshine principle in the standing rules of the Congress to assure such disclosure procedures and thereby to enhance the public's respect for the tax legislative process.

The officers, regents and members of the College would be pleased to discuss this matter with you, or to provide any other assistance that might be helpful in attaining this objective.

Sincerely,

Sherwin P. Simmons  
Chairman  
American College of Tax Counsel  
Nashville, Tennessee

#### FOOTNOTE

/\*/ The American College of Tax Counsel is an association of over five hundred lawyers who are principally engaged in tax practice and who are elected to membership on the basis of outstanding professional qualifications and public service. A principal purpose of the College is to facilitate scholarly discussion and examination of tax policy issues. The College publishes The American Journal of Tax Policy.

END OF FOOTNOTE