



NATIONAL CONFERENCE OF CPA PRACTITIONERS

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January 10, 2006

The Honorable Charles E. Grassley
Chairman of Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable William M. Thomas
Chairman of the Ways and Means Committee
United States House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

Dear Chairmen Grassley and Thomas,

The National Conference of CPA Practitioners (NCCPAP) is pleased to learn that the American Institute of Certified Public Accountants (AICPA) has joined in NCCPAP's efforts to correct an inequity in the tax law contained within the Section 121 Residence Sale Exclusion Year of Death Rule.

Since its enactment, NCCPAP has met annually with your offices, as well as, the Senate Finance Committee, The House Ways and Means Committee, The Joint Tax Committee and various legislators and had on its agenda a proposal to correct the obvious inequity in section 121. Specifically, a surviving spouse is allowed a \$500,000 exclusion on the sale of a personal residence within the tax year of the death of a spouse. The inequity arises if a taxpayer dies at the end of the year. The surviving spouse is at a disadvantage because the surviving spouse has a much shorter time to sell the house and take advantage of the \$500,000 exclusion.

It is gratifying to know that NCCPAP is no longer alone in its efforts to correct this inequity.

Currently, pursuant to NCCPAP's effort, Rep. Carolyn McCarthy is sponsoring a bill (written with the assistance of NCCPAP) to change the law to allow the time to sell the residence to one year from the date of death.

Sincerely,

Dennis Scott, C.P.A.
NCCPAP National President

Todd Newman, C.P.A.
NCCPAP National Tax Committee

cc: Mark Prater, Chief Counsel, Senate Committee on Finance
Patrick Heck, Chief Tax Counsel, Senate Committee on Finance
Robert Winters, Chief Tax Counsel, House Committee on Ways and Means
Janice Mays, Minority Chief Counsel, House Committee on Ways and Means
Thomas Barthold, Acting Chief of Staff, Joint Committee on Taxation
Eric Solomon, Acting Assistant Secretary (Tax Policy), Treasury
Michael Desmond, Tax Legislative Counsel, Treasury
Ed McClellan, Senate Finance Committee, 219 Dirksen
Fred Hartman, Senate Small Business Committee, Senate Russell 428A
Sen. Charles Schumer, Senate Hart 313
Sen. Hilary Clinton, Senate Russell 476
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