

Internal Revenue Service

Department of the Treasury

Washington, DC 20224

▷ Mr. Francis X. Degen, EA
President, NAEA
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Washington, DC 20036

Contact Person:
Randall Swanson
Telephone Number:
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In Reference to:
SE:CAR:MP:T:I:F
Date:
March 21, 2006

Dear Mr. Degen:

Thank you for your letter of February 6, 2006, to Commissioner Everson on behalf of the NAEA regarding dependents as defined in recently revised Internal Revenue Code Section 152. Because my office is responsible for the tax forms, instructions and publications, we were asked to respond to you. You give several examples of dependency exemptions that produce a result that is different from what you believe Congress intended.

You may well be right that Congress did not foresee or intend the consequences of the factual situations you describe, but until the office of Chief Counsel issues guidance clarifying the new law or Congress amends it, we cannot give you any further advice. We note that in the Fiscal Year 2007 Budget transmitted to Congress, President Bush proposes to clarify the uniform definition of a child. You can of course encourage your members to work through Congress for technical corrections or amendments, and you are always welcome to attend hearings and otherwise provide additional feedback to Chief Counsel.

Thank you for informing us of these interesting scenarios, and reminding us of the need for further guidance.

Sincerely,



Sandra L. Kopta
Chief, Individual
Forms and Publications
Branch