



June 20, 2023

The Honorable Judy Chu
U.S. House of Representatives
2423 Rayburn House Office Building
Washington, DC 20515

The Honorable Mike Carey
U.S. House of Representatives
1433 Longworth House Office Building
Washington, DC 20515

Dear Representative Chu and Representative Carey,

On behalf of the National Association of Enrolled Agents (NAEA) and the nearly 60,000 enrolled agents it represents, I am writing today to express our support for H.R. 3566, the Simplify Automatic Filing Extensions (SAFE) Act, which would amend the Internal Revenue Code to allow individuals to avoid a penalty for failure to pay income tax by timely paying 125 percent of the income tax liability for the prior year.

The current law requires taxpayers that request a six-month extension to make a payment based on their current year's estimated tax liability. The process requires time-consuming calculations and will result in penalties if the estimate is inaccurate. It also means that taxpayers often must go through the process of calculating their taxes twice – once when requesting the extension and again in six months to meet the new deadline.

In the SAFE Act, you have set out to create a simple and easy way to pay estimated taxes while filing for an extension, making tax filing season less of a hassle for the IRS and taxpayers. By allowing individuals to avoid a penalty by timely paying 125 percent of the income tax liability for the prior year, taxpayers will have a quick and predictable option for seeking an extension.

NAEA has long advocated for common sense tax policy that provides clear and efficient rules for both taxpayers and tax practitioners. The SAFE Act is a perfect example of this approach because it streamlines the extension process for taxpayers while protecting and assisting the IRS. NAEA thanks both of you for your leadership on this important issue and urges Congress to pass this piece of legislation.

NAEA looks forward to working with you on this issue and please do not hesitate to ask if we can be of assistance.

Sincerely,

A handwritten signature in black ink that reads "Cynthia Leachmoore". The signature is written in a cursive, flowing style.

Cynthia Leachmoore, EA
President