

Person Huff



CPA Group
certified public accountants

Matthew Person, CPA
David W Huff CPA, PFS, MS
Charles F Muller, CPA

3200 Lake Villa Drive
Metairie, LA 70002
Ph: 504.780.TAXX (8299)
Fax: 800.799.1292

Email: matthew@mpersoncpa.com
website: www.mpersoncpa.com

February 27, 2008

To: Clients, Prospects, and Other Taxpayers
Via: e-mail attachment

Dear Taxpayer,

Our firm understands the strain some of you have felt as a result of the unexpected tax liability from compensation grants from the Louisiana Recovery Authority (LRA). While we have been working diligently to reduce this tax liability for our clients, our Senators and Congressmen along with the Society of Louisiana Certified Public Accountants have been working for relief as well. Efforts by legislators to have proceeds deemed non taxable appear to have been unsuccessful.

Currently taxpayers who claimed losses on their home as a result of Hurricane Katrina and later received compensation grant money from LRA under any of the three available options will incur additional tax liability. There are questions regarding the calculation of the tax liability amount that have yet to be answered by the IRS.

Attached is a copy of the letter our legislators sent to the IRS asking for guidance on tax issues. We maintain hope that some relief will be provided but for now some simple guidance on how to accurately calculate the tax would be helpful.

Please note the contact phone numbers of your senators and congressmen. We encourage everyone to express their concerns on this matter.

Sincerely,

Person Huff CPA Group, LLC

David Huff

From: Gerard H. Schreiber Jr. CPA [ghschreiber@bellsouth.net]
Sent: Tuesday, February 26, 2008 6:31 PM
To: 'Gerard H. Schreiber, Jr., CPA'
Subject: NO Roundtable Group
Attachments: IRS- Road Home letter.pdf

Congress of the United States

Washington, DC 20515

FOR IMMEDIATE RELEASE
February 26, 2008

CONTACT:

Stephanie Allen (Landrieu) (202) 224-0088
Joel DiGrado (Vitter) (202) 224-4623
Rick Curtsinger (Boustany) (202) 225-2031
Robin Winchell (Melancon) (202) 226-5220
Ashley Wilson (Jefferson) (202) 225-6636

LA. DELEGATION PUSHES IRS TO GUIDE ROAD HOME GRANT RECIPIENTS THROUGH TAX PROCESS

WASHINGTON – Five members of the Louisiana delegation today sent a letter to the IRS asking for six measures to help Road Home grant recipients who are facing huge tax bills on the April 15 tax deadline. The IRS has determined that taxpayers who took a casualty loss deduction in 2005 and received a Road Home grant must add the casualty loss amount to their 2007 income.

“We write to express our strong concerns regarding the Internal Revenue Service’s (“IRS”) lack of assistance for residents along the Gulf Coast who still have many unanswered questions about the additional tax attributable to their Road Home grants,” wrote United States Senators Mary L. Landrieu, D-La., and David Vitter, R-La., and Congressmen Charles W. Boustany, R-La., Charlie Melancon, D-La., and William J. Jefferson, D-La., to Acting IRS Commissioner Linda E. Stiff.

“As you know, the IRS concluded that taxpayers who took a casualty loss deduction due to damage to their homes and received a Road Home grant must recapture the amount of their casualty loss deductions on their 2007 income tax returns. This decision has caused a dramatic increase in taxes for thousands of our constituents.

“Although the IRS arrived at this decision several months ago, it has been extremely slow to respond to the myriad questions and concerns that our constituents have raised.”

The delegation laid out key strategies, such as town hall meetings and additional IRS caseworkers in the hurricane-impacted cities of Lake Charles, Houma and New Orleans to help

Louisianians through the tax filing process. They also recommended a toll-free hotline dedicated solely to the Road Home tax.

"We ask that the IRS consider these measures on an expedited basis given the financial strain and confusion associated with the tax on Road Home grants and the looming April 15 tax deadline," the delegation wrote.

The Louisiana Congressional delegation said it will continue to fight for Road Home tax relief.

A full copy of the delegation letter is attached.

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United States Senate

WASHINGTON, DC 20510-1804

February 26, 2008

Ms. Linda E. Stiff
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, DC 20224

Dear Commissioner Stiff:

We write to express our strong concerns regarding the Internal Revenue Service's ("IRS") lack of assistance for residents along the Gulf Coast who still have many unanswered questions about the additional tax attributable to their Road Home grants.

As you know, the IRS concluded that taxpayers who took a casualty loss deduction due to damage to their homes and received a Road Home grant must recapture the amount of their casualty loss deductions on their 2007 income tax returns. This decision has caused a dramatic increase in taxes for thousands of our constituents.

Although the IRS arrived at this decision several months ago, it has been extremely slow to respond to the myriad questions and concerns that our constituents have raised. Many residents, for example, have received conflicting information as to how they should account for their grants if they sold their homes back to the Louisiana Recovery Authority. At the same time, many residents have questions as to how they should account for a grant on property that they sold to other individuals.

In order to respond more effectively to our constituents, we request that the IRS consider the following measures:

- Provide better coordination between the IRS' Washington, DC and Louisiana offices;
- Conduct town hall meetings in Lake Charles, Houma and New Orleans to assist tax preparers and residents;
- Provide clear guidance and assistance for residents who may not be able to pay back their tax attributable to their Road Home grants;
- Temporarily assign additional caseworkers to the Lake Charles, Houma and New Orleans IRS offices;
- Establish and publicize a toll-free hotline dedicated to questions about the Road Home tax; and
- Schedule "problem solving days" in Houma, Lake Charles and New Orleans to assist taxpayers on an individual basis.

We ask that the IRS consider these measures on an expedited basis given the financial strain and confusion associated with the tax on Road Home grants and the looming April 15 tax deadline.

Of course, if you have any questions regarding the foregoing, please do not hesitate to contact us.

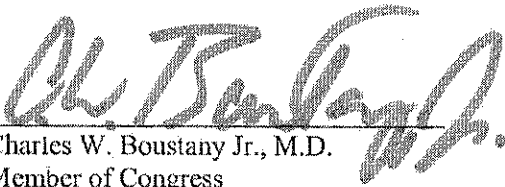
Sincerely,



Mary L. Landrieu
United States Senator



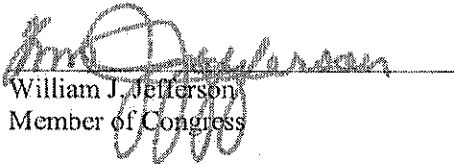
David Vitter
United States Senator



Charles W. Boustany Jr., M.D.
Member of Congress



Charlie Melancon
Member of Congress



William J. Jefferson
Member of Congress

cc: Nina E. Olson, National Taxpayer Advocate