

**FOR IMMEDIATE RELEASE**

**AICPA, U.S. PIRG Coalition Urges Congress to Ban Tax Strategy Patents Before Adjourning**

***Inappropriate Patents Attempt Monopoly on U.S. Tax Code***

**WASHINGTON (Sept. 29, 2010)** – Tax strategy patents threaten American taxpayers and Congress should ban them before it adjourns for the year, a coalition of 18 national consumer and taxpayer organizations said [in a letter to lawmakers](#).

“We cannot afford to postpone addressing this problem” until next year, the letter said. It was signed by U.S. PIRG, the federation of state Public Interest Research Groups, the American Institute of Certified Public Accountants, the American Association of Attorney-Certified Public Accountants, American College of Tax Counsel, The American College of Trust and Estate Counsel, American Society of Appraisers, Certified Financial Planner Board of Standards, Citizens for Tax Justice, Consumer Action, Consumer Federation of America, Financial Planning Association, Global Financial Integrity, International Association for Registered Financial Consultants, National Association of Enrolled Agents, New Rules for Global Finance Coalition, Partnership for Philanthropic Planning, Tax Justice Network U.S.A. and The American College.

The groups said that tax strategy patents effectively create a monopoly for patent holders on certain parts of the U.S. tax code that should be public domain. “A legislative solution must be pursued immediately if we are to provide taxpayers with equal access to all available avenues of federal tax compliance,” the letter said.

The groups urged lawmakers to include a ban on tax strategy patents in a tax bill, the continuing resolution, or any other appropriate “must do” legislation Congress considers before adjourning.

“Tax advisors,” the letter explained, “who generally are not patent experts, have the burden to be aware of such patents, and either provide tax advice that complies with the patent holder’s requirements, risk a lawsuit for themselves and their clients or potentially not provide the most advantageous advice to clients,” the letter said. “Not surprisingly, these patents create a highly burdensome level of cost ultimately borne by taxpayers.”

To date, 117 tax strategy patents have been issued by the U.S. Patent and Trademark Office. “We fear an even greater explosion in both applications and patents issued over the next several years,” the letter said. Further, the coalition is concerned the scope of some 151 pending tax strategy patent applications will inappropriately expand patent restrictions into areas of the IRS code affecting average taxpayers.

The existing patents already cover a wide range of tax planning vehicles, including retirement plans, real estate transactions and estate planning transfers. Pending patent applications would “affect taxpayers’ ability to create a financial plan for funding college education; utilize incentive programs for health care savings account cards; insure against tax liabilities; and use life insurance to generate income.”

Earlier in this Congress H.R. 2584, which would ban tax strategy patents, was introduced in the U.S. House of Representatives by Representatives Boucher, a Democrat from Virginia, and Goodlatte, a Republican from Virginia. The bill has 45 co-sponsors. A similar bill was introduced in the last Congress in the Senate by Senate Finance Committee Chairman Max Baucus, a Democrat from Montana, and Ranking Minority Member Charles Grassley, a Republican from Iowa; the bill had 29 co-sponsors including then-Senator Barack Obama. The House passed a ban on tax strategy patents in the last Congress as part of the Patent Reform Act.

The letter was addressed to Senators Baucus, Grassley, Patrick Leahy, a Democrat from Vermont, and Jeff Sessions, a Republican from Alabama, and Representatives John Conyers, a Democrat from Michigan, Lamar Smith, a Republican from Texas, Sander Levin, a Democrat from Michigan, Dave Camp, a Republican from Michigan, Rick Boucher, a Democrat from Virginia, and Bob Goodlatte, a Republican from Virginia. Senate Majority Leader Harry Reid and Senate Minority Leader Mitch McConnell received copies of the letter.

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