Congress of the United States
Washington, DC 20515

September 27, 2002

The Honorable David M. Walker
Comptroller General
U.S. General Accounting Office
441 G Street, N.W.
Washington, D.C. 20548

Dear Mr. Walker:

As you are aware, the New York region suffered massive economic damage in addition to the loss of thousands of lives and billions of dollars in property from the attacks of September 11, 2001. In response, Congress and the administration agreed upon an assistance package for the effected areas that includes various forms of direct assistance as well as a package of tax benefits, generally known as the New York Liberty Zone tax benefits.
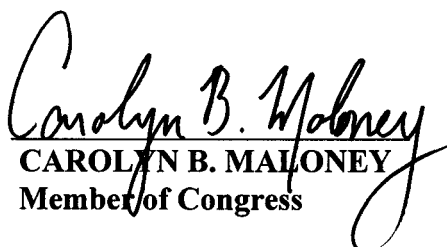
Given the magnitude of loss in New York City, we are committed to ensuring that the total amount of assistance intended for New York is provided. To the extent that, for example, the total estimated tax benefits are not realized, corrective steps will need to be taken as soon as possible.

We have asked the Secretary of the Treasury to commit to reporting periodically on the use of the Liberty Zone tax benefits. However, we understand that his ability to do so is dependent on the Internal Revenue Service taking appropriate steps to ensure that it collects necessary data to support timely reporting. To that end, we have also asked the Secretary to provide the IRS's plans for doing so.

We are requesting your assistance in reviewing IRS's capability to provide the routine reports we have requested. In particular, your review should determine whether IRS will have available the information needed to support periodic, timely reporting on the number of taxpayers using the various Liberty Zone tax benefits and the value of those benefits to the taxpayers.

Thank you for your prompt attention to this request. We would appreciate periodic briefings on the status of your work. If you have any questions, please do not hesitate to contact Benjamin Chevat at 202-225-7944 in Mrs. Maloney's office.

Sincerely,

CAROLYN B. MALONEY
Member of Congress

CHARLES B. RANGEL
Member of Congress

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