



Tax Benefits Group

**Date:** June 1, 2006  
**To:** Our CPA Partners and Clients  
**Subject:** **Update on LIFO Repeal / Revised Call-to-Action** (since previous correspondence)

### **LIFO Coalition – Post-Meeting Update**

Since our last correspondence to you regarding the possible LIFO repeal (in mid-May), we have attended a LIFO Coalition meeting in Washington DC. The update regarding that meeting and revised action we are asking our CPA partners to take are noted below.

### **Recap on Possible LIFO Repeal**

In case you did not see the previous correspondence, here's a recap of the important issue that could affect your clients on LIFO.

- As you are probably already aware, there has been an ongoing convergence of US GAAP and International Accounting Standards (IAS).
- Neither IAS nor the Financial Accounting Standards Board (FASB) believe that LIFO is an appropriate GAAP method.
- Although the FASB convergence agenda doesn't reflect any LIFO-related topics through 2008, some Senators believe that LIFO will and should go away.
- These Senators have no idea of the impact that a repeal of LIFO would have—particularly on the Heartland of America.

Our invitation to and involvement in a "pro-LIFO" coalition has enabled us to take part in a pre-hearing meeting in Washington D.C.

### **The Coalition Has Asked Us to Reach Out to You for Help**

Because of our unique relationship with so many CPAs across the country, we have been asked by this group to head up a lobbying effort with our CPA contacts and their LIFO clients.

### **How You And Your LIFO Clients Can Make a Difference**

The actual hearing on this subject matter is to occur sometime in late June. Because this hearing is rapidly approaching, we are asking that you and your clients communicate your pro-LIFO position to your state Senator at your earliest opportunity.

### **Letter Templates Provided**

We have provided form letter templates for your convenience – If you would like for us to e-mail the Word templates to you, please request this by emailing [support@sourcecorptax.com](mailto:support@sourcecorptax.com).

1. *CPA Firm Template Letter* -- Please customize and feel free to modify as you see fit. Firm letters should be sent to your state's Senator.
2. *LIFO Client Template Letter* – Please engage your clients on LIFO to personally write letters to their Senator. The attached template will help them communicate how a LIFO repeal would negatively impact their business.
  - a) Automotive LIFO clients should copy NADA on all letters sent to Senators.
  - b) Non-automotive LIFO clients should copy their trade organization(s) on all letters sent to Senators.

For your convenience, I have also included a listing of Senators and their mailing addresses.

### **A Final Note Regarding Our Mutual Automotive Clients**

Our mutual clients in states for which the Senator serves on the Finance Committee are also being mailed a letter asking for their help. Although they will have been notified by a mailing from us, we ask that you follow up our letter with a call. Of course, we ask that you engage your LIFO clients in all states, automotive and non-automotive, to help take a stand against the possible repeal.

### **THANK YOU FOR YOUR EFFORTS TO SAFEGUARD LIFO!**

If any questions, please contact your Account Manager at 817-732-5494 or email [support@sourcecorptax.com](mailto:support@sourcecorptax.com).