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CHAIRMAN

Congress of the United States

U.S. House of Representatives

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April 3, 2019

The Honorable Charles P. Rettig
Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Washington, D.C. 20224

Dear Commissioner Rettig:

The Committee on Ways and Means ("Committee") has oversight and legislative authority over our Federal tax laws. With this authority comes a responsibility to ensure that the Internal Revenue Service ("IRS") is enforcing the laws in a fair and impartial manner.

Consistent with its authority, the Committee is considering legislative proposals and conducting oversight related to our Federal tax laws, including, but not limited to, the extent to which the IRS audits and enforces the Federal tax laws against a President. Under the Internal Revenue Manual, individual income tax returns of a President are subject to mandatory examination, but this practice is IRS policy and not codified in the Federal tax laws. It is necessary for the Committee to determine the scope of any such examination and whether it includes a review of underlying business activities required to be reported on the individual income tax return.

Pursuant to my authority under Internal Revenue Code section 6103(f), for each of the tax years 2013 through 2018, I request the following return and return information:


1. The Federal individual income tax returns of Donald J. Trump.
2. For each Federal individual income tax return requested above, a statement specifying:
(a) whether such return is or was ever under any type of examination or audit; (b) the length of such examination or audit; (c) the applicable statute of limitations on such examination or audit; (d) the issue(s) under examination or audit; (e) the reason(s) the return was selected for examination or audit; and (f) the present status of such examination or audit (to include the date and description of the most recent return or return information activity).
3. All administrative files (workpapers, affidavits, etc.) for each Federal individual income tax return requested above.

4. The Federal income tax returns of the following entities:
 - The Donald J. Trump Revocable Trust;
 - DJT Holdings LLC;
 - DJT Holdings Managing Member LLC;
 - DTTM Operations LLC;
 - DTTM Operations Managing Member Corp;
 - LFB Acquisition Member Corp;
 - LFB Acquisition LLC; and
 - Lamington Farm Club, LLC d/b/a Trump National Golf Club—Bedminster.
5. For each Federal income tax return of each entity listed above, a statement specifying:
 - (a) whether such return is or was ever under any type of examination or audit; (b) the length of such examination or audit; (c) the applicable statute of limitations on such examination or audit; (d) the issue(s) under examination or audit; (e) the reason(s) the return was selected for examination or audit; and (f) the present status of such examination or audit (to include the date and description of the most recent return or return information activity).
6. All administrative files (workpapers, affidavits, etc.) for each Federal income tax return of each entity listed above.
7. If no return was filed for the tax year requested, a statement that the entity or individual did not file a return for such tax year.

This document is a record of the Committee and is entrusted to the IRS only for use in handling this matter. Additionally, any documents created by the IRS in connection with a response to this Committee document, including (but not limited to) any replies to the Committee, are records of the Committee and shall be segregated from agency records and remain subject to the control of the Committee. Accordingly, the aforementioned documents are not "agency records" for purposes of the Freedom of Information Act. Absent explicit Committee authorization, access to this document and any responsive documents shall be limited to IRS personnel who need such access for the purpose of providing information or assistance to the Committee.

Please provide the requested return and return information by April 10, 2019. Thank you for your prompt attention to this matter.

Sincerely,



The Honorable Richard E. Neal, *Chairman*



HOUSE COMMITTEE ON WAYS & MEANS

CHAIRMAN RICHARD E. NEAL

Frequently Asked Questions Chairman Neal's Section 6103 Request

Purpose

Why is the Chairman making this request?

The Committee on Ways and Means is examining the extent to which the IRS audits and enforces the Federal tax laws against a President.

Why are the President's tax returns necessary for that purpose?

The Committee cannot consider whether legislative changes are necessary without first informing itself. The Committee therefore requires the President's tax returns and any administrative files (workpapers, audit materials, examiner notes, correspondence, etc.) that reflect how the IRS audits and enforces the Federal tax laws against him.

Doesn't the IRS conduct a mandatory audit?

Under the Internal Revenue Manual, a President's individual income tax returns are subject to mandatory examination; however, this practice is simply IRS policy, not law. The truth is that we do not know what the IRS is reviewing, whether the IRS review includes audits that were ongoing before he took office, or even if a mandatory examination actually is taking place.

Was the Chairman waiting until after the Mueller report?

Chairman Neal's request has always been independent of the Special Counsel's report. The Committee is concerned about the President's compliance with the Federal tax laws.

Is the President not entitled to privacy?

The President of the United States is the most powerful public official in this country. No other single American has the power to sign bills into law and direct an entire branch of government by him or herself.

Is the Chairman hoping to use the President's tax returns for impeachment purposes?

Chairman Neal wants to be clear. He stands with Speaker Pelosi that the request is not about impeachment. It is about legitimate legislative and oversight issues. The Chairman is not going to presuppose anything about what the Committee will find or where the Committee will go.

Section 6103 Background

What is section 6103?

Among other things, section 6103 of the Tax Code authorizes the disclosure of tax returns to the Committee on Ways and Means. Under section 6103(f), the Chairman of the Committee on Ways and Means is authorized to request and receive tax returns.

Why is the Committee relying on this provision?

The Committee has used this provision to request tax returns as part of its previous investigations. This provision is not "obscure," as it has been deemed in some media reports.

Is this a subpoena?

No. Chairman Neal is explicitly authorized to receive tax returns under section 6103(f).

Who else has the authority to request returns?

Under section 6103(f), Senator Grassley, who is Chairman of the Senate Finance Committee, is also authorized to request returns and return information. More broadly, however, section 6103 authorizes States and the Department of Justice, among others, to request returns and return information for specified reasons.

Is Senator Grassley also going to request the President's tax returns?

We are not aware of Senator Grassley's plans. However, he recently stated that, if the "House of Representatives are going to get them, then I want the Senate Finance Committee to have them."

Why is this letter addressed to Commissioner Rettig instead of Secretary Mnuchin?

This Committee always has submitted section 6103 requests to the IRS, not Treasury. While it is true that the statutory text states that the Secretary of the Treasury shall furnish the returns, the Secretary has delegated authority to the IRS Commissioner over "the administration and enforcement of the Internal Revenue laws" since 1955.

Has the Treasury Secretary ever been involved in these kinds of decisions?

We are not aware of the Secretary ever having been involved in processing a section 6103 request. Indeed, at a recent hearing before the Committee, Secretary Mnuchin stated “That is not something I would normally sign. It would be something that the IRS Commissioner would sign off on.”

Is the Chairman allowed to obtain the returns of a public official under section 6103?

Requesting tax returns of a public official is consistent with section 6103. Indeed, the Committee’s authority was added to the Tax Code, in part, to address Congressional difficulties in acquiring tax information from Administration officials.

Has Congress ever examined the tax returns of a public official?

President Nixon, President Ford, and Vice President Rockefeller all were subject to Congressional inquiry of their tax returns. Further, public officials nominated for a position requiring confirmation by the Senate Finance Committee are asked to provide three years of their tax returns as part of the confirmation process.

Scope of the Request

Why did the Chairman request returns for six years?

Chairman Neal’s decision to request six years of tax returns is based, in part, on the number of tax years for which tax returns generally are available at the IRS and the length of time the IRS advises taxpayers to keep their records.

Why is the Chairman requesting tax returns for years before he was President?

This would allow the Committee to inspect returns for the two years he was a Presidential candidate and the two prior years, as these returns reflect ongoing transactions.

Why must the Committee request the President’s business returns?

Many, if not most, of the President’s businesses are operated through separate entities that may report income, deductions, or other tax items included on his individual income tax returns. It is unknown whether the scope of any mandatory examination includes a review of underlying business activities required to be reported on the individual income tax return.

Why did the Chairman request returns for these entities?

Chairman Neal has requested the returns for five entities that constitute the core of the President’s business empire. These entities control hundreds of other business entities. The Chairman also requested the returns for three entities associated with one golf course that has been the subject of recent media reports about tax compliance.

Next Steps

What is the next step?

Chairman Neal expects the IRS to comply with his request. The plain language of section 6103 is clear. No request by this Committee has ever been denied.

Will the Chairman ask for additional returns in the future?

At this time, Chairman Neal has no plans to ask for additional returns. Nothing in the law preempts Chairman Neal from making subsequent requests as needed.

Will the Committee provide the press updates on the status of this request?

No. Now that the Chairman has transmitted his request, he and the Committee will abide by the provisions set forth in section 6103 regarding the treatment of tax return information.

Is the Chairman going to share the returns with other committees?

No. This is not provided for under section 6103.