

NTEU

The National Treasury Employees Union

May 30, 2007

Mr. Kevin Brown
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue, NW
Room 3000IR
Washington, DC 20224

Dear Mr. Brown:

As you know, gasoline prices are reaching record levels, and all indications are that prices will stay at that level or rise during the summer months and even to the end of the calendar year. This is placing an especially hard burden on those who must drive to perform their work duties including many employees of the IRS and other agencies of the federal government. The federal government's mileage reimbursement rate is set by the General Services Administration. But that rate may not exceed the amount set by the IRS as the maximum rate allowed to be deducted as a business expense.

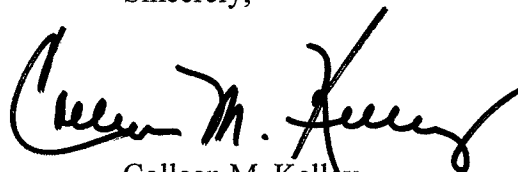
While it is IRS's typical practice to set this rate effective at the beginning of the year for the entire calendar year, in 2005, I wrote to then Commissioner Everson as to the unusually high gas prices consumers were experiencing. I was extremely grateful that Commissioner Everson made a mid-year adjustment in the mileage reimbursement rate, increasing it by eight cents. With GSA quickly following IRS's lead, federal employees were saved from having to pay out of their own pockets portions of their travel expenses in their duties as IRS revenue officers, FDIC bank examiners, or in any of the other federal occupations that require frequent and even daily travel while on the job.

Given the current situation is even more severe than in 2005 when a mid-year adjustment was made, I would ask again that IRS adjust the mileage reimbursement rate. Both the federal Energy Information Administration (part of the NTEU represented Department of Energy) and the private American Automobile Association are showing record gas prices of over \$3.00 a gallon with expectations of continued increases. This is above the gasoline price during late 2005 when the IRS made its previous midyear adjustment. Yet the mileage reimbursement rate is presently only 48.5 cents a mile, the same as it was set at for late 2005.

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I would be happy to discuss this with you at your convenience. I hope you will do whatever you can to see that all Americans who must depend on their cars to perform their jobs get some relief, including those who work for the federal government.

Sincerely,

A handwritten signature in black ink, appearing to read "Colleen M. Kelley". The signature is fluid and cursive, with a large initial "C" and a long, sweeping tail.

Colleen M. Kelley
National President