

PETSCHEK TO HEAD IRS TAX EXEMPT OPERATING DIVISION

WASHINGTON — Commissioner of Internal Revenue Charles O. Rossotti today named Evelyn Petschek to the top spot of one of the IRS's four new operating units. As Commissioner of the Tax Exempt Operating Division, Petschek will oversee the administration of complex provisions of law that affect more than three million customers.

In January 1998, the IRS began the process of replacing its geographic organizational structure with operating divisions that serve particular groups of taxpayers. The four taxpayer segments include: Wage and Investment Income, Small Business and Self Employed, Large- and Mid-Size Business, and Tax Exempt. The reorganization will allow the IRS to better meet the specialized needs of the customers it serves.

“The Tax Exempt Operating Division will have responsibility for a major sector of the U.S. economy – one that has very special needs and issues,” said Rossotti. “After an intensive nationwide search, it became clear that Evelyn Petschek is the right person for this very challenging job.”

Three distinct customer segments – employee plans, exempt organizations, and government entities – will be served by the Tax Exempt Operating Division. Employee Plans comprises more than 1 million private and public retirement plans, with assets of roughly \$4 trillion. Exempt Organizations comprises over 1 million tax-exempt organizations and an estimated 350,000 religious organizations controlling assets of more than \$1.2 trillion. Government Entities includes 220,000 outstanding tax-exempt bond issuances with a total value of \$1.3 trillion, 86,000 Federal, state and local entities, and 559 federally recognized Indian Tribes.

Although it generally pays no income tax, this sector pays over \$198 billion annually in employment taxes and income tax withholding.

Headquarters for the Tax Exempt Operating Division will be established in Washington, D.C., in late 1999, with operations scheduled to begin in late 1999 or early 2000.

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Petschek has served as IRS Assistant Commissioner, Employee Plans and Exempt Organizations since 1996. Prior to joining the IRS, she served in the Treasury Department's Office of Tax Policy as Benefits Tax Counsel.

Petschek holds J.D. and LL.M. in Taxation degrees from New York University School of Law. She was a partner in the law firm of Patterson, Belknap, Webb & Tyler before entering public service.

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