



OFFICE OF
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DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

March 24, 2009

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CONEX-111690-09

UIL: 164.12-00

The Honorable Thomas R. Carper
United States Senate
Washington, DC 20510

Dear Senator Carper

I am responding to your letter dated February 27, 2009, asking that we provide direction on how we plan to interpret section 1008 of the American Recovery and Reinvestment Act of 2009 (ARRA). This section provides an additional deduction for state or local sales or excise tax imposed on the purchase of a qualified motor vehicle.

We try to provide timely guidance on new legislation that affects taxpayers. We understand that this guidance is necessary for taxpayers to take full advantage of tax benefits Congress intended. As reflected in the colloquy you attached to your letter, section 1008 is intended to encourage Americans to purchase new automobiles and, thus, stimulate the American automotive industry.

I assure you that we are working diligently to provide guidance on all ARRA provisions that require it.

If you have any questions, please call me, _____, or _____ at _____.

Sincerely,

John P. Moriarty
Chief, Branch 1
Income Tax & Accounting



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March 24, 2009

The Honorable Jeanne Shaheen
United States Senate
Washington, DC 20510

CONEX-111690-09

UIL: 164.12-00

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