



OFFICE OF THE CHIEF COUNSEL

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

December 16, 2009

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CONEX-151890-09

The Honorable George LeMieux
United States Senate
Washington, DC 20510

Dear Senator LeMieux:

I am responding to your letter dated November 24, 2009, requesting that we publish formal guidance under section 165 of the Internal Revenue Code on the availability of a casualty loss deduction for damage from imported drywall.

As explained in your letter, the Consumer Product Safety Commission has issued its preliminary study regarding the corrosive effect of certain imported drywall installed in U.S. homes. We are evaluating whether damage such as that described in the report could qualify for a casualty loss under section 165. We are also discussing the need for published guidance with the Treasury Department's Office of Tax Policy.

We recognize that this issue affects a significant number of taxpayers and appreciate your continued concern. I am sending a similar letter to your colleagues. If you have any questions, please contact _____ or me at _____.

Sincerely,

George J. Blaine
Associate Chief Counsel
(Income Tax and Accounting)



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CONEX-151890-09

The Honorable Bill Nelson
United States Senate
Washington, DC 20510

Dear Senator Nelson:

I am responding to your letter dated November 24, 2009, requesting that we publish formal guidance under section 165 of the Internal Revenue Code on the availability of a casualty loss deduction for damage from imported drywall.

As explained in your letter, the Consumer Product Safety Commission has issued its preliminary study regarding the corrosive effect of certain imported drywall installed in U.S. homes. We are evaluating whether damage such as that described in the report could qualify for a casualty loss under section 165. We are also discussing the need for published guidance with the Treasury Department's Office of Tax Policy.

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CONEX-151890-09

The Honorable Glenn C. Nye III
United States House of Representatives
Washington, DC 20515

Dear Representative Nye:

I am responding to your letter dated November 24, 2009, requesting that we publish formal guidance under section 165 of the Internal Revenue Code on the availability of a casualty loss deduction for damage from imported drywall.

As explained in your letter, the Consumer Product Safety Commission has issued its preliminary study regarding the corrosive effect of certain imported drywall installed in U.S. homes. We are evaluating whether damage such as that described in the report could qualify for a casualty loss under section 165. We are also discussing the need for published guidance with the Treasury Department's Office of Tax Policy.

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CONEX-151890-09

The Honorable David Vitter
United States Senate
Washington, DC 20510

Dear Senator Vitter:

I am responding to your letter dated November 24, 2009, requesting that we publish formal guidance under section 165 of the Internal Revenue Code on the availability of a casualty loss deduction for damage from imported drywall.

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CONEX-151890-09

The Honorable Mark Warner
United States Senate
Washington, DC 20510

Dear Senator Warner:

I am responding to your letter dated November 24, 2009, requesting that we publish formal guidance under section 165 of the Internal Revenue Code on the availability of a casualty loss deduction for damage from imported drywall.

As explained in your letter, the Consumer Product Safety Commission has issued its preliminary study regarding the corrosive effect of certain imported drywall installed in U.S. homes. We are evaluating whether damage such as that described in the report could qualify for a casualty loss under section 165. We are also discussing the need for published guidance with the Treasury Department's Office of Tax Policy.

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CONEX-151890-09

The Honorable Jim Webb
United States Senate
Washington, DC 20510

Dear Senator Webb:

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As explained in your letter, the Consumer Product Safety Commission has issued its preliminary study regarding the corrosive effect of certain imported drywall installed in U.S. homes. We are evaluating whether damage such as that described in the report could qualify for a casualty loss under section 165. We are also discussing the need for published guidance with the Treasury Department's Office of Tax Policy.

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