



July 9, 2014

The Honorable Kirsten Gillibrand
United States Senate
Washington, DC 20510

Dear Senator Gillibrand,

On behalf of the more than 28,000 members of the New York State Society of Certified Public Accountants, I am writing to request that you sign the letter being circulated by Senators Brown, Roberts, King and Johnson indicating opposition to proposals to limit the cash basis method of accounting.

Last winter, we reached out to share our concern about the limitation on the use of the cash method of accounting for businesses as proposed by former Chairman Baucus in his Cost Recovery and Accounting Discussion Draft (November 21, 2013). Although it is unclear what provisions would be included in a future comprehensive tax reform effort, we want to strongly discourage any such proposals from including this limitation.

We believe preserving the cash basis method for pass-through entities, personal service corporations and farmers is critically important. Requiring a change to the accrual method would have a significant impact on job growth and the economy in New York State. Specifically, such proposals would require many business owners to pay tax before receiving payment from their clients and customers – resources that could be better used to grow their businesses rather than paying the federal Treasury earlier.

As CPAs, we believe tax reform should promote fairness and simplicity for all individuals and encourage economic growth. Tax reform should *not* create unnecessary administrative and financial burdens on local businesses. We ask that you stand with us in opposing this limitation on the cash basis method and join the bipartisan efforts of the Senate by signing the Brown-Roberts letter.

To sign on to the letter, please contact Gideon Bragin (Gideon_Bragin@brown.senate.gov) or Chris Allen (Chris_Allen@roberts.senate.gov). If you have any questions, or if we can be of any further assistance, please contact Brad Pryba at 212-719-8364 or at bpryba@nysscpa.org.

Sincerely,

Scott M. Adair, CPA
President, New York State Society of Certified Public Accountants