



FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

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August 29, 2005

The Honorable Charles Grassley
U.S. Senate
Chairman, Senate Finance Committee
219 Dirksen Senate Office Building
Washington, D.C. 20515

Dear Chairman Grassley:

On behalf of the Federal Taxation Committee of the Florida Institute of Certified Public Accountants (FICPA), we offer the following comments on the Tax Technical Corrections Act of 2005 (S. 1447):

Section 231 of the American Jobs Creation Act of 2004, which deals with members of a family being treated as one shareholder for the number of shareholders limit on S corporations, should be amended so that the treatment is automatic and does not require an election to be made by any family member.

We believe that the requirement for an election to be made by a family member was carried forward from previous versions of this section which would have limited the number of families permitted to be treated as one shareholder for the number of shareholders limitation. Since any number of families can now be subject to this provision, there no longer seems to be a need for an election to be made. The provision for members of a family to be counted as one shareholder should be parallel to the provision that treats a husband and wife as one shareholder without any requirement for one of the spouses to make an election.

Thank you for this opportunity to submit these comments to you.

Sincerely,

Ignacio Abella, Chair
FICPA Federal Taxation Committee

IA/mh

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cc: Kathryn B. "Kathy" Anderson, CAE, FICPA CEO-Executive Director
Richard Berkowitz, FICPA President
FICPA Executive Committee
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