



# Committee On Finance

Max Baucus, Ranking Member

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For Immediate Release

Tuesday, September 16, 2003

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## **Baucus Comments on IRS Initiative to Fight Illegal Tax Shelters**

*Senator Applauds IRS and States Partnership to Target Abusive Tax Avoidance Transactions*

(Washington, D.C.) U.S. Senator Max Baucus today issued the following statement of support for the Internal Revenue Service's announcement on a new partnership to combat abusive tax avoidance transactions between U.S. states and the Internal Revenue Service. This new partnership is designed to fight tax abuse more effectively by combining states and the IRS's efforts through means such as the use of shared information and coordinated case management.

"Abusive tax avoidance transactions jeopardize the integrity of our voluntary tax system and annually deprive Federal and state treasuries of billions of dollars. According to information recently provided to the Finance Committee by the IRS, abusive corporate tax shelters may be costing the Federal government more than \$18 billion a year. This simply is unfair to those honest taxpayers paying their fair share."

"The threat posed by these carefully engineered transactions requires a multi-faceted approach by government -- from tracking down promoters and conducting better coordinated audits to enhancing disclosure and imposing stiffer sanctions. Today's agreement on information sharing will allow the IRS and states to effectively pool resources to combat abusive schemes. I am pleased to hear that my home state of Montana will be participating in this new endeavor. I lend my support, as Ranking Member of the Senate Finance Committee, to ensure this program is effective. This is another step in the right direction."

"An even greater step is for Congress to pass the Tax Shelter Transparency Act. The tax shelter legislation would provide the IRS with another weapon in their arsenal to shut-down abusive tax transactions. Clearly, there is a problem. It is time for Congress to act."