

October 31, 2006

To: House Ways and Means Committee
From: Nancy Kercheval, President
Cascade Fishing, Inc.
RE: Comments on the Technical Corrections Act of 2006
HR 6264 and companion S4026

I am writing to you to express my concerns with Section 7 of the Technical Corrections Act of 2006 and specifically with the changes proposed to the treatment of dividends paid by an IC DISC corporation.

We oppose the proposed changes to the treatment of dividends paid by an IC DISC. First, this change does not seem fitting as a "technical correction". Rather it is a fundamental change in the treatment of dividends as paid by an IC DISC. We believe any such fundamental change in tax law should be addressed the same way in which any other fundamental changes in tax law are addressed, which is through the tax approval process and not as a technical correction.

Second, the suddenness of the enactment date of the proposed change undermines basic business planning. As a small business whose sales are substantially foreign, we rely on the values the current tax laws allow as an important part of our business success for the year. For the tax laws on which we rely to suddenly change undermines a good portion of our fiscal success. If it is the committee's belief that this major change in stance regarding the treatment of dividends is within the technical corrections process, we would respectfully request that such enactment date be effective December 31, 2006 so as to not undermine a planned portion of our business success. It is our understanding the IC DISC rules were put in place to help businesses like ours who provide U.S. based employment and who export to foreign countries. This sudden change in the tax law will have the opposite effect.

We are a small US based business providing jobs in the US. Where specifically provided by our tax code we plan for and rely on the benefits this code provides us. These benefits are an integral part of our success and the suddenness of changes like it proposed in this area of the technical corrections act undermines the basis for our planning and success.

We request you either eliminate this provision in the technical corrections act or change the enactment date of this provision to December 31, 2006.

Respectfully submitted,

Nancy Kercheval, President
Cascade Fishing, Inc.

Seattle, Washington