



CHIEF COUNSEL

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

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The Honorable Chris Cannon  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Cannon:

Thank you for your letter dated December 14, 2007, expressing your continued interest in several technical issues regarding the application of the accountable plan rules under Internal Revenue Code section 62 to tool reimbursement plans. I understand that \_\_\_\_\_, Director, IRS Office of Legislative Affairs, spoke with your staff about this subject earlier this month. We appreciate your interest in having published guidance specific to the tool reimbursement plan industry.

We are currently conducting examinations that focus on whether use of tool plans in some cases has resulted in failure to pay appropriate amounts of federal income tax withholding and FICA tax. While we are working through the examinations, we are not in a position to answer the questions presented in your letter. When we have concluded our enforcement activities and are able to consider these issues with the benefit of our enforcement conclusions, we will consider further technical guidance on these topics.

Please contact me or call \_\_\_\_\_, Director, Office of Legislative Affairs, at (\_\_\_\_\_) if you have further questions.

Sincerely,

Donald L. Korb  
Chief Counsel  
(Office of the Chief Counsel)