

United States Senate
WASHINGTON, DC 20510

February 4, 2022

The Honorable Janet Yellen
Secretary of the Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Secretary Yellen:

Thank you for your prompt reply to our November 2021 letter urging you to exercise existing authority to grant tax relief to certain taxpayers using the last-in, first-out (LIFO) accounting method. We appreciate that consideration of this request requires additional examination of whether the direct and primary reason for a taxpayer's inability to replace its inventory is due to a foreign trade interruption, and further analysis of which businesses and industries should be granted Sec. 473 relief. We write today to urgently reiterate our request, and ask that you grant this relief by February 15, 2022.

Enclosed you will find a letter from the Alliance for Automotive Innovation, which represents auto manufacturers that produce 99% of the cars and light trucks sold in the United States, along with automotive suppliers and technology companies. Their letter states:

“This decreased inventory production is primarily a result of the foreign supply chain disruptions caused by actions related to the COVID pandemic, especially with respect to semiconductor shortages. For example, during the end of Q4 2020 and going into 2021, it became increasingly clear that a shortage of semiconductors used for a host of essential vehicle controls would reduce new vehicle production, further impeding the industry's recovery from the supply and demand shock at the beginning of the COVID pandemic.”

Affected small businesses need to know at the earliest possible date whether relief will be granted. The taxpayers' returns must include complex and time-consuming LIFO calculations. Therefore, we respectfully urge you to provide a response, including the required Sec. 473 determinations in the *Federal Register*, no later than February 15, 2022.

The automotive industry continues to face dramatic and unprecedented inventory shortages due to the pandemic and foreign supply chain disruptions, and it will take many months for affected local businesses, employees, and their customers throughout our states and across the country to recover. Granting Sec. 473 relief will help protect the auto industry and all its workers. Thank you again for your efforts to ensure a speedy economic and automotive recovery.

Sincerely,

_____/s/_____
Sherrod Brown
United States Senator

_____/s/_____
Ron Wyden
United States Senator

_____/s/_____
Catherine Cortez Masto
United States Senator

_____/s/_____
Amy Klobuchar
United States Senator

_____/s/_____
Patty Murray
United States Senator

_____/s/_____
Angus S. King, Jr.
United States Senator

_____/s/_____
Debbie Stabenow
United States Senator

_____/s/_____
Alex Padilla
United States Senator

_____/s/_____
Chris Van Hollen
United States Senator

_____/s/_____
Raphael Warnock
United States Senator

_____/s/_____
Benjamin L. Cardin
United States Senator

_____/s/_____
Tina Smith
United States Senator

_____/s/_____
Richard Blumenthal
United States Senator

_____/s/_____
Jackie Rosen
United States Senator

_____/s/_____
Dianne Feinstein
United States Senator

_____/s/_____
Tim Kaine
United States Senator

_____/s/_____
Tammy Baldwin
United States Senator

_____/s/_____
Robert P. Casey, Jr.
United States Senator

_____/s/_____
Gary C. Peters
United States Senator