



**KPMG LLP**  
Washington National Tax  
2001 M Street, NW  
Washington, DC 20036

25 February 2011

Honorable Patrick Leahy, Chairman  
Honorable Charles Grassley, Ranking Member  
United States Senate  
Committee on the Judiciary  
224 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Leahy and Ranking Member Grassley:

We would like to commend you on the inclusion of section 14 – a ban on the patenting of tax strategies – in S. 23, the Patent Reform Act of 2011, recently approved and reported by the Committee.

We agree with the sentiments expressed by Sen. Grassley on February 3<sup>rd</sup> that “[i]f firms or individuals were able to hold patents for these strategies, some taxpayers could face fees simply for complying with the tax code.” Taxpayers should not be forced to choose between paying more tax than they are legally obligated to pay or paying royalties to a third party with a patent on a legal method of complying with tax law. Tax strategy patents create higher costs and produce confusion for taxpayers and their advisors.

As noted by the AICPA in its letter to you, tax strategy patents undermine Congressional authority, intent, and control of tax policy, and would create inequalities among taxpayers. No person should hold exclusive rights over how to comply with the Tax Code

We are a firm with extensive experience in the provision of tax advice to clients, and we are a firm that develops its own proprietary tax tools, including computer software. We therefore appreciate the proper balance between the protection of intellectual property rights and the public policy concerns implicated by extending that protection to patents on tax planning. This bill gives proper deference to the rights of the taxpayer and the already complex requirements of a tax advisor. We therefore urge inclusion of section 14 by the Senate in the final version of S. 23.

Respectfully yours,

KPMG LLP

cc: Honorable Max Baucus