

October 6, 2006

Mr. Michael J. Desmond
Tax Legislative Counsel
U.S. Department of Treasury
1500 Pennsylvania Avenue, N.W.
Washington, D.C. 20220

Dear Mr. Desmond:

Thank you for taking the time to meet with us regarding the recent changes in the tax treatment of donated clothing and household goods contained in § 1216 of the Pension Reform Act (Public Law 109-80).

Our organizations -- Goodwill Industries International, Inc., the Salvation Army, Volunteers of America, and Society of St. Vincent de Paul -- represent human and social service organizations with hundreds of affiliates around the country. Donated clothing and household goods are vital to fulfilling our respective missions. In order to carry out our missions, we collect donated clothing and household goods to sell in our retail outlets.

We appreciate the clarification that the burden, under the new law, to value items of clothing and household goods, is not on the charities, as well as your willingness to consider issuing guidance to confirm the donors' obligation. In order to assist taxpayers, we are recommending that our local agencies include on their donation receipts language indicating that donated items for tax purposes must be in "good used condition or better."

Our organizations share mutual goals with the Department to improve the quality of donations and to educate taxpayers in a responsible manner. If we can be of any assistance in the future, please contact Donald C. Alexander, Akin, Gump, Strauss, Hauer and Feld LLP, at (202) 887-4064 or Lisa P. Kinard, Director of Public Policy, Goodwill Industries International, Inc., at (240) 333-5331.

Sincerely,

Doug Barr
President/CEO
Goodwill Industries of Southern
California

David Bowman
General Counsel
Volunteers of America

Todd Hawks
Public Affairs Secretary and

Associate National Community
Relations And Development
Secretary
Salvation Army

Lisa P. Kinard
Goodwill Industries International,
Inc.
Director of Public Policy and
Government Relations

Jose Rossier
CEO/Council of Los Angeles
Society of St. Vincent de Paul

cc:

Ms. Susan Brown, Deputy Tax Counsel
Mr. Eric San Juan, Attorney-Advisor