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The Honorable _____
United States Senate
Washington, DC 20510

Dear Senator _____:

I am writing to ask that you join as a co-sponsor to S. 823 (Baucus-Snowe), which would allow for an expanded Net Operating Loss carry back period under the tax code. This legislation is critically important to businesses like mine who have experienced devastating losses during this recession.

My company has been in business for XX years and at one time employed XX employees and over XX subcontractors. In the past two years we have been forced to cut XX jobs as we attempt to manage through this historic downturn. The housing crisis and the resulting credit crunch have had a devastating impact on our ability to survive. Housing demand is at a historically low level which has forced us to resize our business but that has been compounded by the lack of credit available to help us maintain liquidity. Without proper liquidity businesses cannot make payroll, pay subcontractors or purchase materials.

An expanded NOL carry back would allow us to recapture a portion of the taxes we paid immediately rather than waiting to carry our losses forward over 20 years. This will provide us the liquidity we need to keep our business afloat and to keep our employees working as the market stabilizes. Let's be clear, this is not a grant, loan, tax credit or bailout. Rather the provision accelerates to the present – when the resources are needed most – deductions that can, under current law, be claimed in future tax years. In short, it is an “advance” on future tax deductions which are already authorized under law.

It is critical that this important legislation be passed as soon as possible. Businesses continue to lay off workers and bankruptcies continue to grow; this legislation is the most effective way to combat this trend. As you know, expanded NOL carrybacks are a proven method of stabilizing businesses and preserving jobs during recessions. They have been used many times, most recently during the downturn after 9/11, and are a proven tax policy.

Again, I respectfully urge you to sign on as a co-sponsor to S.823 and work to secure final passage of the bill. I would appreciate your response as soon as possible.

Sincerely,