

October, 2007

The Honorable Steven T. Miller
Commissioner, Tax Exempt and Government Entities Division
Internal Revenue Service
750 Pennsylvania Avenue, NW
Washington, DC 20006

RE: IRS Proposed Form 990 and Schedule H

Dear Mr. Miller,

The Internal Revenue Service (IRS) recently released a substantially changed Form 990, which included 15 new reporting schedules, for tax-exempt organizations, including hospitals. We are extremely concerned that the new form and schedules will place a disproportionate burden on these hospitals, which already are overburdened with the many challenges of providing care in their communities. We urge the IRS to review, closely and carefully, the new Form 990 and schedules, particularly the schedule applicable to hospitals alone (Schedule H). The IRS should reconsider its request for such an expansive volume of information, particularly information that does not truly reflect the tax-exempt hospital's mission and obligation to its community.

The tax exempt hospital community fully supports the reporting of standard community benefit measures. However, the new form does not include two significant measures of community benefit: patient bad debt, and Medicare underpayments. The new form has questions that appear unrelated to the real services that tax exempt hospitals provide. These include 24-hour emergency department coverage, programs and activities that improve people's health and are tailored to their particular communities' needs, and appropriate levels of financial assistance for needy patients, among others.

We strongly urge the Service to work diligently with the hospital community to streamline all of these forms and to delay the obligation to file these forms and schedules, particularly Schedule H, until tax-year 2010. For hospitals, schedule H should focus on community benefit and eliminate reporting on peripheral issues that create extensive and unnecessary reporting burdens without increasing tax compliance.

We already ask a great deal of our nation's hospitals. They are always open, taking care of everyone who comes through the emergency department doors in addition to reaching out with programs designed to make their communities healthier. We should not take them away from this important work by requiring them to spend valuable time and resources filling out IRS forms that bear little relationship to the health care and other benefits they provide to their communities.

Sincerely,

\s\ Stephanie Tubbs Jones
Member of Congress

\s\ Jon Porter
Member of Congress