



Advocacy. Community. Education.

September 7, 2017

The Honorable Steven Terner Mnuchin
Secretary
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Mnuchin,

I am writing to express the support of the Connecticut Society of Certified Public Accountants (CTCPA) of the initiative advocated by Congressmen Joseph Courtney and John Larson to allow taxpayers adversely affected by crumbling foundations due to the presence of pyrrhotite in their foundations' cement to claim a related casualty loss on their federal income tax returns.

It is our opinion that this situation, although not a natural disaster, is quite similar to the corrosive Chinese drywall issue of 2010 when the Internal Revenue Service allowed affected taxpayers a casualty loss deduction.

Our members in eastern Connecticut tell us of numerous examples of homeowners adversely affected by this crumbling foundation "syndrome." The *Hartford Courant* reports that hundreds of homeowners have already filed complaints with the Connecticut Department of Consumer Protection and that officials put the number of houses at risk at 34,000. Reports of the cost of resolving the issue – and saving the houses – can be in the hundreds of thousands of dollars per home.

We urge you to heed the call of Congressmen Courtney and Larson for the Internal Revenue Service to allow affected taxpayers to take a casualty loss deduction on their federal income tax returns for the costs incurred with saving their homes due to the defective concrete.

Sincerely,

A handwritten signature in blue ink that reads "Bonnie Stewart". The signature is written in a cursive, flowing style.

Bonnie D. Stewart
Executive Director

c: The Honorable Joseph Courtney, U.S. Representative, Second District, Connecticut
The Honorable John Larson, U.S. Representative, First District, Connecticut

The Connecticut Society of CPAs