

**Congress of the United States**  
Washington, DC 20510

March 18, 2015

The Honorable Jacob J. Lew  
Secretary  
Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220


Dear Secretary Lew:

As you are aware, the Constitution grants Congress the sole power to lay and collect taxes. While implementation of tax law often requires regulations, revenue rulings, notices, and other Executive Branch actions, this role is limited to carrying out the will of the Legislative Branch, rather than creating new policy. Recent statements by Administration officials and even some in Congress seem to confuse that most basic constitutional arrangement.

In response to calls for unilateral executive action to "close loopholes" to increase taxes, a spokesperson for the President recently stated in a press conference that "...the President is very interested in this avenue generally." This would be a mistake, both constitutionally and politically. We have a rare chance in our nation's recent history to reform the tax code, and we look forward to working with you in that effort. While the Administration and Congress may have differing views on what that reform should look like, it is critical that we overcome those differences through negotiation and the constitutional system of checks and balances that have guided our nation for over two hundred years. This course will involve dialog, disagreement, and difficult choices. But it is the right course.

In the past, we have been encouraged by your willingness to debate and arrive at consensus for tax reform efforts. We have also been clear that the Congress is willing to work with the Administration to find solutions that work for the American people, and help workers and businesses enjoy shared prosperity and increased economic growth. It would be a significant setback if you decided to interpret or implement tax laws based on your political preference rather than the consensus that the tax reform process could produce. It would also be significantly damaging to the economy to further the idea that, rather than working with stable rules of the road, tax and other laws will hereafter evolve according to the uncertain path of unilateral executive decisions followed by controversy, challenges, and mistrust. We urge you to work with the Congress on tax reform, rather than against it.

Sincerely,



Orrin G. Hatch  
Chairman  
Senate Committee on Finance



Paul Ryan  
Chairman  
House Committee on Ways and Means