Dear:

I can certainly appreciate your deep interest in that provision of the omnibus tax bill relating to specialty advertising items such as calendars, pens, pencils, etc., being placed in the same category as expensive gifts and entertainment.

I am advised by the Joint Economic Committee that the Secretary of the Treasury will be given the power by regulation to exempt such items from the category of expensive gifts and entertainment. The bill does require that no deductions will be allowed for business gifts in excess of $25 per recipient per year. However, as noted above, the Secretary of the Treasury could by regulation also exempt from this category the items to which you have referred.

When this matter comes before the Senate Finance Committee, which has jurisdiction over the bill, I shall make your views known to the Committee, as well as the views of others who have written to me on this matter, so that every effort will be made to provide businessmen with a reasonable guide as to what the law states and what items can be exempted.

The Senate Finance Committee will begin hearings on March 27, 1962, and you can be sure this will have my best attention.

Sincerely,

Everett McKinley Dirksen