

**United States Senate**  
WASHINGTON, DC 20510

November 8, 2021

The Honorable Janet Yellen  
Secretary of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220

Dear Secretary Yellen:

The pandemic and related supply chain interruptions have hit the auto industry particularly hard. Making matters worse, many businesses that use the last-in, first-out (LIFO) inventory method will face significant, unforeseen tax liabilities due to their inability to replace vehicle inventory. There has been a major disruption of the global supply chain with slow-downs and factory closures, particularly with semiconductors, leaving businesses with drastically lower inventories. We are writing to ask for your assistance to grant temporary LIFO relief to businesses that have severe inventory shortages because of the pandemic.

Businesses using the LIFO inventory method must maintain a minimum level of inventory at year-end or risk recognizing excess gains that result in LIFO recapture. Supply chain disruptions have made it virtually impossible for auto and truck dealers to maintain this minimum level of LIFO inventory.

Fortunately Congress has anticipated this scenario. Temporary relief is available for businesses that cannot maintain minimum inventory levels through no fault of their own, such as a major foreign trade interruption under Section 473 of the Internal Revenue Code. We urge you to exercise your authority as Treasury Secretary to provide this relief since the current circumstances are the result of a major foreign trade interruption.

The automotive industry is facing an unprecedented inventory shortage, and it will take many months to recover – which will continue to impact local businesses, employees, and their customers throughout our states and across the country. It is critical to the health of the auto industry that we help businesses maintain their cash flow and replace their inventory over a period of up to three years as granted in Section 473. This will help give businesses time to restock and replenish inventory, and keep assembly lines moving.

We respectfully urge you to grant Section 473 relief as expeditiously as possible to help protect the auto industry and all its workers. Thank you again for your efforts to ensure a speedy economic and automotive recovery.

Sincerely,

\_\_\_\_\_/s/\_\_\_\_\_  
Sherrod Brown  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Ron Wyden  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Margaret Wood Hassan  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Amy Klobuchar  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Patty Murray  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Angus S. King, Jr.  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Catherine Cortez Masto  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Alex Padilla  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Chris Van Hollen  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Robert P. Casey, Jr.  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Benjamin L. Cardin  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Tina Smith  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Richard Blumenthal  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Jackie Rosen  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Dianne Feinstein  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Tim Kaine  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Tammy Baldwin  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Raphael Warnock  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Debbie Stabenow  
United States Senator

\_\_\_\_\_/s/\_\_\_\_\_  
Gary C. Peters  
United States Senator