



February 13, 2018

Acting Commissioner David Kautter
Internal Revenue Service
1111 Constitution Avenue NW
Washington, DC 20224

SENT VIA CERTIFIED MAIL

Re: "Qualified Appraiser" under § 170 of the Internal Revenue Code

Dear Acting Commissioner David Kautter:

This letter is being sent to you on behalf of the National Association of Certified Valuers and Analysts[®] (hereafter, "NACVA[®]") in response to public commentary apropos to the definition of "Qualified Appraiser" under § 170 of the Internal Revenue Code, Section 1.170A-17(b)(1). The contents of this letter are intended to offer constructive, meaningful, and objective commentary for consideration by the U.S. Department of the Treasury and the Internal Revenue Service.

QUALIFIED APPRAISER

Recent public commentary regarding the definition of "Qualified Appraiser" under § 170 of the Internal Revenue Code, Section 1.170A-17(b)(1) has initiated a call, by some appraisal organizations, for additional clarification of that term. The national dialogue relative to the term Qualified Appraiser was last at issue when the American Institute of Certified Public Accountants[®] (AICPA[®]) submitted comments to the Internal Revenue Service on November 5, 2008, requesting further clarification of the terms "generally accepted appraisal standards" and "qualified appraiser." While the definitions of these terms are subject to debate, we understand certain appraisal organizations have gone as far as to request promulgation of final rules enumerating their professional credentials to satisfy the requirements of §1.170A-17(b)(2)(i)(B). Specifically, a letter dated November 15, 2017, addressed to the Internal Revenue Service and authored by the CFA Institute (CFA), the American Society of Appraisers (ASA), and the National Association of Independent Fee Appraisers (NAIFA), asks the IRS to consider recognizing the Accredited Senior Appraiser (ASA), Chartered Financial Analyst[®] (CFA[®]), the Independent Fee Appraiser (IFA), and other designations sponsored by these three organizations.

RECOGNITION OF THE CERTIFIED VALUATION ANALYST[®] (CVA[®]) CREDENTIAL

In the event the U.S. Department of the Treasury and the Internal Revenue Service sanction specific appraisal designations, NACVA respectfully requests recognition of the Certified Valuation Analyst[®] (CVA[®]) credential as an approved qualified appraiser designation. NACVA has nearly 7,000 members

NACVA's Certified Valuation Analyst[®] (CVA[®]) designation is the only valuation credential accredited by the National Commission for Certifying Agencies[®] (NCCA[®]), the accreditation body of the Institute for Credentialing Excellence[™] (ICE[™]).



worldwide and operates international chapters in Africa, Canada, Europe, the Middle East, Taiwan, and the United States, all supporting the globally-recognized CVA designation. NACVA is a member of the Institute for Credentialing Excellence™ (ICE™). NACVA's CVA designation is the only valuation credential accredited by the National Commission for Certifying Agencies® (NCCA®), the accreditation body of ICE.

TOTALITY OF BACKGROUND, EXPERIENCE, EDUCATION, AND MEMBERSHIP

While NACVA does not oppose definitive reference to, or enumeration or recommendation of, specific appraisal designations, NACVA shares the sentiment echoed by tax courts across the United States of America—that the totality of an appraiser’s background, experience, and continuing education, is often more determinative of what constitutes a “qualified appraiser” than a professional certification. To be clear, NACVA fully supports satisfactory solutions focused on enhancing the public trust and accuracy of valuation reports for both tax and non-tax purposes. The CVA designation assures other professional service providers, prospective and active clients, the Internal Revenue Service, and the appraisal community at-large that the credentialed member has satisfied, and continues to comply with, the NACVA’s rigorous standards of professionalism, expertise, objectivity, and integrity in the field of business valuation.

SUMMARY

NACVA, on behalf of its national membership of approximately 7,000 business valuers and analysts, respectfully requests consideration and recognition of the Certified Valuation Analyst (CVA) credential as an approved qualified appraiser designation, pursuant to any revision of § 170 of the Internal Revenue Code, Section 1.170A-17(b)(1).

On behalf of the entire membership of our organization, thank you for your attention to this comment letter and the opportunity to voice our concerns and thoughts.

Respectfully submitted,

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