

# UC Berkeley

## Recent Work

### Title

Richard Tzul's Portfolio

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### Author

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## Abstract

The following clips are from my time at the Berkeley Graduate School of Journalism. The first few clips include both original sole reported work, as well as co-authored work, from my J200 introductory journalism course, published for the journalism school affiliated Richmond Confidential, a local news outlet for residents in Richmond, California.

In “‘Read it and weep:’ mayor drops letter finding no merit in accusations against him,” I reported on Richmond’s then-mayor, Tom Butt, who published a letter from the city attorney claiming that no wrongdoing was found in an investigation looking into.... . The publication of the letter was controversial, as city council members critical of the mayor said the letter was meant to be a confidential document.

In “Richmond city attorney resigns; mayor blames RPA,” I covered the sudden announcement that the city’s attorney would be stepping down after a lengthy pressure campaign from Mayor Butt, who said both the city attorney and city manager improperly spent taxpayer funds to conduct a baseless investigation into him. The mayor also faulted “progressive” city council members, which he frequently sparred with, for causing the resignation of these city officials.

The clip, “Richmond city manager gets big payout to move on, agreement shows,” covered the city manager’s separation agreement with Richmond, a couple weeks after the city attorney’s resignation. The incident was part of the ongoing saga of a city in disarray, resulting in infighting among city officials, resulting in resignations and firings. At the time this article was published, Richmond had multiple city attorneys and managers fired or resigned within the previous years.

The clip, “Richmond could become next California city to ban gas appliances,” is a policy-focused story, and a break from the political drama I often encountered as a city government reporter. While the focus began as a local story, my colleague Zhiwei Feng and I, also made it into a California story, contextualizing a proposed local ordinance in the wider environmental policy trends across the progressive state.

The remainder of clips are from my internship at the tax desk at Bloomberg Industry Group, where I got to do an array of reporting, including co-host an episode of the weekly podcast, author the daily newsletter, and engage in enterprise reporting.

The clip, “Frito-Lay Loses Bid for Michigan Property Tax Exemption,” was one of multiple legal stories I covered. While not my first time reporting on legal documents, it was the first time I had to file within a few hours. The experience was deeply helpful in boosting my skills for creating quick turnaround stories, figuring out what information to harvest as quickly as possible—from sometimes lengthy documentation—and translating legal jargon to make it accessible for the average reader.

The clip, “Mileage Rate Hike Won’t Help Professional Drivers, Advocates Say,” originated from a very brief “speed,” assignment I did that came about when the IRS announced an unusual

adjustment to their work-related mileage reimbursement rate in response to rising inflation—particularly rising gas prices. Since the topic was a very specific niche, it seemed like there wasn't more to the story than what I had already covered in my short breaking news piece. However, as I dug deeper, advocates told me that some of the people who should have been benefiting the most by the IRS' move, Uber and Lyft drivers, would see little to no benefit to the rate change. A seemingly mundane, niche story turned out to be an important matter regarding some of the most disadvantaged workers in today's gig economy.

For the clip, "Senate Finance Committee Advances Retirement Package," I attended a congressional committee meeting with a couple of my colleagues to report on a bill that granted passage to the next step in becoming law. The article was from one of several times I went to the Hill to report on Congress.

On another visit to the Hill I waited outside a congressional hearing room to co-report a story called, "Top House Tax-Writer Seeks Swift Comey, McCabe Audit Probe." My colleague and I could not attend the closed-door hearing, in which IRS commissioner Chuck Rettig was scrutinized by lawmakers over intense audits of former FBI director James Comey that pertained to his time during the Trump administration. For this reporting, we waited outside, intercepted both lawmakers and Rettig for updates on the latest information, and to learn more behind the unlikely occurrence of both political enemies of the former president being aggressively targeted by the IRS. One development we focused on was the House Ways and Means Committee Chair Richard Neal calling for an independent investigation into the matter.

Much of my work, both at Richmond Confidential and Bloomberg Tax, was done in collaboration with other reporters, and I'm grateful to the many other journalists I've had the honor of working with, as well as the editors who helped me become a better reporter.

## Source List

1. Former Richmond mayor Tom Butt. As a mayor of Richmond, California during my time as city government reporter, Butt was consistently a source about city politics and policy, often the source of news and controversy himself. (multiple interviews)
2. Councilmember Nathaniel Bates. A longtime local official, Bates was the only consistent ally of Mayor Butt, and has run for mayor on multiple occasions. He has long been a defining figure in Richmond, especially in its government and politics. (multiple interviews)
3. Councilmember Claudia Jimenez. A vocal progressive and frequent critic of Mayor Butt, Jimenez is a newer, but still influential figure in Richmond's city council.
4. Councilmember Gayle McLaughlin. A longtime local official, opposite on the spectrum to Butt and Bates, McLaughlin is a national figure in the progressive and environmental movement, having served previously as Richmond's mayor and being one of the most high profile opponents of the Chevron refinery in the city.
5. Berkeley City Councilmember Kate Harrison. Harrison is the author of the nation's first local ordinance banning gas-powered appliances in newly built houses. She was a critical and noteworthy source, as we were reporting on a similar proposed measure in nearby Richmond, while examining how Richmond was part of an increasing trend across the state to greener housing.
6. Mark Jacobson, an environmental engineering professor at Stanford University. Providing expert insight on climate change and the green proposed ordinance we were reporting on.
7. Christopher Ochoa, senior counsel for the California Building Industry Association. Ochoa provided the housing construction industry perspective on the green measure we were reporting on.
8. Melissa Yu, conservation program coordinator for the Sierra Club San Francisco Bay chapter. She provided the environmental activist perspective on banning gas powered appliances in newly built housing.
9. Chris Castanchoa, building regulations official for Richmond. He provided the city's regulatory perspective on the ordinance. Our piece was well rounded in terms of sourcing.
10. The California Restaurant Association. While not providing us a direct comment, it provided a previous press release on a similar subject. This was again to gather various perspectives on the proposed green measure, including from the restaurant industry.
11. Pierre Delforge, a senior scientist of the Natural Resource Defense Council at San Francisco. Delforge served as both an advocate and scientific expert source for our report.
12. Jared Green, senior editor of the American Society of Landscape Architecture and author of "Good Energy." He provided technical insight into how infrastructure would work in housing built without gas appliances.
13. An opinion by Judge Jason C. Grinnell of the Michigan Tax Tribunal which I reported on
14. The Michigan State Treasury provided comment on a legal case in which they were a party to

15. Karen O'Byrne, president and interim CEO of Motus, providing knowledgeable insight on the IRS' policy moves, and the data they base their decisions off
16. Bhairavi Desai, Executive Director of the New York Taxi Workers Alliance, an advocate source I relied on to learn more about potential taxi drivers' struggles
17. Nicole Moore, president of Rideshare Drivers United, another advocate who provided a perspective of Uber and Lyft drivers on the IRS' action
18. Angela Alexander, a tax principal at Cleveland accounting firm Barnes Wendling CPAs, providing expert insight onto the IRS' adjustment of their mileage deduction rate
19. A Lyft spokesperson providing the company's comment on my story
20. An Uber spokesperson, Freddi Goldstein, providing his company's comment on my story to make sure my reporting is fair and balanced
21. Senate Finance Chairman Ron Wyden (D-Ore.), providing insightful comment on the package that the committee he heads provided passage to
22. Senate Finance chairman ranking member Mike Crapo (R-Idaho) also gave us some understanding in the work behind the retirement package that we covered
23. Sen. Pat Toomey (R-Pa.) provided his forecast on the fate of the retirement package
24. House Ways and Means Committee Chair Richard Neal announced to us that he's seeking a probe into the IRS over the intense audit of FBI director James Comey. This was valuable information to get directly from a top lawmaker.
25. IRS Commissioner Chuck Rettig. As the head of the IRS himself, he was a crucial source to seek comment from about the invasive audit of FBI Director James Comey. While his comment lacked substance, it was still important that we tried to seek answers from him
26. Rep. Bill Pascrell (D-N.J.), the chair of the Ways And Means Committee's oversight subcommittee, told us he wanted the IRS commissioner to resign, providing crucial comment from an influential lawmaker.

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# Richmond Confidential



## 'Read it and weep:' mayor drops letter finding no merit in accusations against him

[Richard Tzul](#) on November 16, 2021

In an e-forum blast Tuesday, Richmond Mayor Tom Butt said a nearly two-year investigation into allegations against him has concluded after finding no evidence of wrongdoing.

"Read it and weep," Butt said when introducing the letter, which was addressed to him and the City Council, from the city attorney. Marked "confidential," it outlines the investigation's origins and findings.

Multiple complaints were filed by a city employee, according to the letter, accusing Butt of abuse of power and conflict of interest. It said that in early 2020, the city manager, at the council's direction, retained two law firms to investigate the complaints. The investigation concluded that "each of the complaints was without merit."

The announcement comes on the heels of the City Council terminating City Manager Laura Snideman, which came about a week after City Attorney Teresa Stricker resigned. Snideman oversaw the investigation, which was "staunchly defended" by Stricker, according to Butt.

The city has not publicly acknowledged the investigation, which Butt previously revealed in his e-forum newsletter. He has accused Stricker and Snideman of misusing city funds for the investigation and unsuccessfully called on the council to fire them during a June meeting.

"The city attorney and city manager are (almost) gone, and [I'm still here](#)," Butt said in his newsletter.

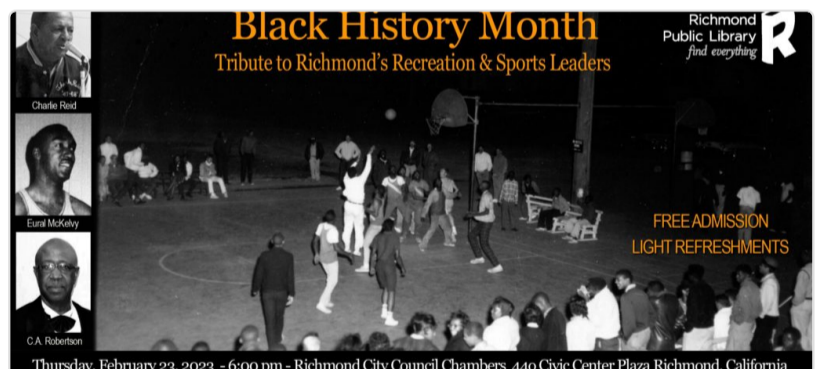
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Stricker will remain in her position until January.

## Richmond city attorney resigns; mayor blames RPA



Richmond City Attorney Teresa Stricker has resigned, Mayor Tom Butt announced Thursday in his newsletter. The announcement comes after months of Butt lambasting the attorney and city manager for their purported role in investigating him over allegations that his architecture firm accepted city work, which would be a conflict of interest for the mayor. Butt ... Continue reading



Richmond Confidential tried to verify the letter with the Stricker's office, which redirected the reporter to the city manager's office. That office eventually transferred the reporter to the city attorney's voicemail. Stricker has yet to respond.

The letter said the investigation was justified to ensure that the approval of a lease deal involving the Richmond Multi-Modal Transit Station was legally sound.

The investigation was started at the request of City Council, according to the letter, though Butt said "there is no record of this."

Councilmember Nathaniel Bates, Butt's only consistent ally on the council, told Richmond Confidential Tuesday that he had no recollection of the council requesting the investigation.

"The city attorney, what they should have done, in my opinion, is refer it to the district attorney," Bates said. "Just like we have sent everything with a police shooting, anything like that, to the district attorney for an unbiased opinion. I don't know how the city manager took it upon themselves, or the city attorney, to all of a sudden spend taxpayers dollars investigating the case."

Councilmember Claudia Jimenez, who is often at odds with Butt, said the investigation had a positive outcome in finding no wrongdoing. But she criticized the mayor for sharing a confidential document.

"There is some confidential attorney-client communication that he has published and continues to do so," she said. "And in doing so, he can potentially put the city in some liability."

Butt acknowledged that the disclosure of the letter could spark a fresh investigation.

The City Council on Nov. 9 asked for the district attorney and a grand jury to investigate a separate allegation that the mayor shared a confidential city document with the public about an ongoing lawsuit connected to Point Molate.

Jimenez said this latest disclosure adds more "evidence" to the referral.

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### UPDATE: WCCUSD teachers vote for tentative contract

[Cara Nixon](#) on February 13, 2023

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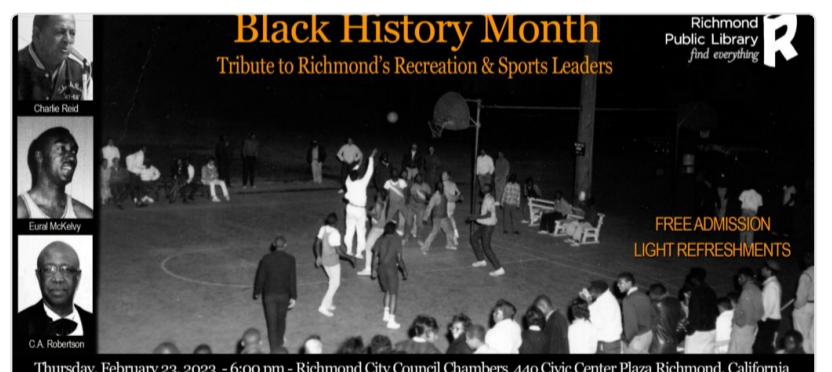
## Richmond city attorney resigns; mayor blames RPA

[Richard Tzul](#) on November 4, 2021

Richmond City Attorney [Teresa Stricker](#) has resigned, Mayor Tom Butt announced Thursday in his newsletter.

The announcement comes after months of Butt lambasting the attorney and city manager for their purported role in investigating him over allegations that his architecture firm accepted city work, which would be a conflict of interest for the mayor. Butt has denied the accusation, which hasn't been made publicly, and claimed that Stricker and City Manager Laura Snideman have used city money to investigate him, which he says would be against the city charter.

In the newsletter, Butt shared the contents of what he said was Stricker's resignation letter, which was emailed to him and City Council members Thursday. In it, Stricker does not say why she is resigning. It says her last day in office will be Jan. 3.



[Reserve a seat for Richmond Library's tribute to the city's sports leaders](#)

[Sojeong Mun](#) on February 22, 2023



“To assist with a smooth and orderly transition, the City Attorney’s Office will immediately commence a transition plan,” her note reads. “And I am happy to discuss how I may assist the City further in that process.”

Stricker could not immediately be reached for comment. The city attorney’s office redirected Richmond Confidential to the city manager’s office. The manager’s office declined to comment and redirected questions to the attorney’s office.

Butt speculated in his newsletter that the Richmond Progressive Alliance pushed Stricker into a position that led to her resignation. [Butt frequently is at odds with the RPA,](#) whose members now make up the majority on City Council.

“In my opinion, the RPA City Council majority has been consistently directing the city attorney to act in ways that are illegal and/or a breach of the California Bar Rules, professional ethics and the professional standard of care. Perhaps she had no alternative other than to resign.”

Stricker was appointed city attorney in October 2020, according to a post from the law firm she was employed at before leaving to work for Richmond.

She made no mention in her letter of feeling forced to leave. She thanked the city for the opportunity to serve, adding, “I wish Richmond my very best in the future.”

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### UPDATE: WCCUSD teachers vote for tentative contract

[Cara Nixon](#) on February 13, 2023


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# Richmond Confidential



## Richmond city manager gets big payout to move on, agreement shows

[Richard Tzul](#) and [Nazmul Ahasan](#) on November 17, 2021

Less than two years after being named Richmond city manager, Laura Snideman will leave the position with more than \$300,000 in severance and other payments, according to a separation agreement that Mayor Tom Butt shared publicly on Tuesday night.

The City Council approved Snideman's termination during a closed session earlier this month. Snideman's last day as city manager is Dec. 1. A caveat of the agreement is that she has seven days from the time it was signed to withdraw from it — which according to Butt, would be next Tuesday. Until her exit date, she will be on paid administrative leave.

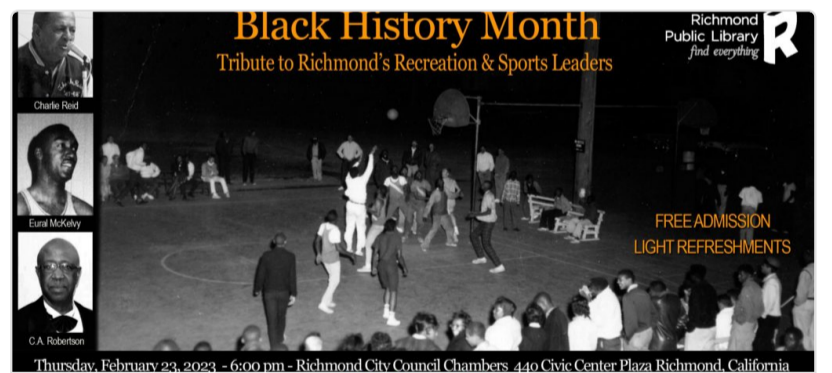
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In accordance with Snideman’s employment contract, the package includes \$212,5000 in severance pay, which is the equivalent of 10 months’ salary. The city also agreed to pay her about \$62,000 in unclaimed leave and \$25,000 for attorney fees. It also will pick up the premiums for her medical benefits for 10 months, unless she gets a new job in the meantime.

Butt published the [document](#) in his e-forum newsletter. He said Snideman signed it on Nov. 11 and it became official when Vice Mayor Demnlus Johnson III signed it Tuesday.

Notably, the separation agreement was signed by Johnson instead of Butt, who said in his newsletter that “it was illegally approved by the City Council majority as a Brown Act violation, and ... it erroneously characterized statements made by me as false.”

The agreement was not supposed to be shared publicly until seven days after it was signed, said Councilmember Gayle McLaughlin.

Butt’s disclosure of information that council members believe is private adds fuel to their accusations of him repeatedly sharing confidential material. In a previous meeting, the council voted to refer another disclosure to the district attorney and a grand jury.

The severance agreement also establishes a “covenant” that neither party will sue the other.

“Let’s just say the majority of the Council and the City Manager were amenable to parting ways with this agreement,” McLaughlin wrote in an email.

A provision of the agreement instructs Snideman and elected officials not to make disparaging remarks about each other. And Snideman demanded in the agreement that Butt remove remarks about her that he made on social media that she called disparaging.

Earlier this month, the City Council passed a resolution condemning Butt’s remarks. The agreement shows that Snideman asked the council to consider such a resolution. Butt cited the resolution as the reason he voted against the separation agreement, despite calling for Snideman’s ouster for months.

Butt unsuccessfully called on the council in July to fire Snideman and City Attorney Teresa Stricker for what he claimed was a misuse of city funds for an investigation into allegations of conflict of interest and misuse of power that a city employee made against the mayor. In an earlier Tuesday newsletter, Butt released [a letter from Stricker](#), showing that the investigation found no evidence of wrongdoing.

A week before the council moved to terminate Snideman, [Stricker resigned](#) without providing an explanation to the public. Her last day in office is Jan. 3.

Neither Snideman nor Stricker has responded to requests for comment.

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### UPDATE: WCCUSD teachers vote for tentative contract

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# Richmond Confidential



## Richmond could become next California city to ban gas appliances

[Zhiwei Feng](#) and [Richard Tzul](#) on October 28, 2021

Gas stoves and fireplaces may be a thing of the past in Richmond under a proposed ordinance that would shut natural gas out of new buildings.

Richmond City Council could vote next month on the proposed ordinance by Councilmember Eduardo Martinez that closes a loophole in the city's natural gas ban, which applies to new structures and major renovations. Gas-powered appliances and fireplaces are now exempt from the ban but would not be under Martinez's proposal, which would leave electricity as the city's go-to power source.

If approved, Richmond would follow cities like Berkeley and San Francisco in phasing out natural gas in the building sector as a way to address [climate change](#).

"Somebody has to go first," said Berkeley City Councilmember Kate Harrison, lead author of her city's ordinance. "I also think it just proves that local government has a lot of untapped power to change business as usual."

After Berkeley's ban, about 50 California cities followed, according to the [Sierra Club](#), an environmental advocacy organization.

Martinez introduced the measure in September and it was supposed to return to City Council this month. But the council asked city staff for more information, pushing any vote into November. It is likely to pass,

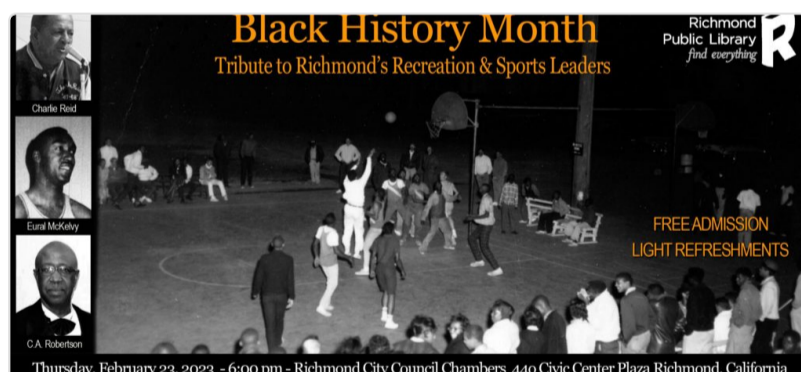
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since Martinez and other members of the Richmond Progressive Alliance make up a majority.

Martinez did not respond to multiple requests for an interview.

## Committed to climate cause: 13-year-old activist is at El Cerrito City Hall every Friday, sign in hand.



In the spring, Eleanor Pilling Chappellear skipped school every Friday. Instead of Zooming in for class, the 13-year-old stood outside her hometown City Hall in El Cerrito to protest inaction around climate change. One of her signs says:

WE SKIPPED OUR SCHOOL TO TEACH YOU A LESSON. Eleanor still stands outside of El Cerrito Hall ...

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Richmond Confidential

While some laud such measures as an appropriate and swift response to climate change, others see it as unpragmatic or overreaching.

“Banning gas in buildings is a necessary step needed within the next eight years to make a serious effort to address climate, air pollution and energy security,” Mark Jacobson, an environmental engineering professor at Stanford University, wrote in an email.

But Richmond also faces a housing crisis, said Christopher Ochoa, senior counsel for the California Building Industry Association. Electric-powered appliances are more costly, he said. Plus, other energy reforms are adding to the cost of housing such as Gov. Gavin Newsom’s ban on the sale of new gas-powered cars by 2035. Electric vehicle chargers will become necessary to build into homes, Ochoa noted, further raising the costs of housing.

“We’re not climate deniers, we’re pro decarbonization,” Ochoa said. “We get it. But we also have to balance it out with the housing crisis that we have, as far as affordability and lack of inventory.”

Melissa Yu, conservation program coordinator for the Sierra Club San Francisco Bay chapter said cities that added natural gas bans to their building codes had to demonstrate that the new code was cost-effective over the lifespan of a building. Yu said hooking up electricity is more cost-effective than building gas pipelines in new homes. While she acknowledged that electricity costs more than gas, she said more could be done to design rates that are more equitable.

According to city data, natural gas makes up 72% of the total energy emissions in Richmond, while electricity makes up only 28%. Of all the greenhouse gas coming from the residential sector, natural gas counts as almost 40%.

Chris Castanchoa, building regulations official for Richmond, said the city remains committed to its 2016 Climate Action Plan, which aims to replace fossil fuels and promote renewable and alternative energy “throughout the community.”

The transition to electricity, Jacobson said, will have “significant benefits.”

But California cities with natural gas bans have encountered resistance from industries. After Berkeley enacted its ordinance in 2019, the California Restaurant Association filed a lawsuit, claiming the ban “is unworkable, undercuts California’s need for reliable and resilient energy, increases the cost of housing, and denies consumers choice.”



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## UPDATE: WCCUSD teachers vote for tentative contract

[Cara Nixon](#) on February 13, 2023

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Shortly after that, two developers in Windsor sued that city for its new natural gas ordinance. While [the case against Berkeley was dismissed in federal court](#), Windsor rescinded its legislation.

Restrictions on gas-powered kitchen appliances have been especially controversial. The California Restaurant Association declined to comment specifically on the Richmond proposal but pointed to an August [statement](#) in which the association said it would continue to fight the measure.

“The loss of flame cooking in restaurant settings would dramatically impact restaurant kitchens, where chefs rely on gas stoves to grill vegetables, sear meats and create meals of all kinds, inspired by cuisines from all over the world,” Jot Condie, the association’s president and CEO, said in the statement. “Any law mandating the use of electric rather than gas stoves reduces those choices, and is also likely to impact what restaurants pay for energy in the future.”

Scientists have remained optimistic about efforts to phase out natural gas. Pierre Delforge, a senior scientist of the Natural Resource Defense Council at San Francisco, called it a “no-regret strategy.”

“The problem of natural gas appliances is they are so inefficient compared to modern electric ones,” Delforge said. While electricity seems more expensive per unit of energy, the appliances ultimately use much less energy. Electric heat pumps, furnaces, stoves, Delforge argued, “would actually cost less to use.”

Health, Delforge said, is another reason to switch to electricity. “People don’t realize today that they have combustion exhaust gases which really pollute their home,” Delforge said. He cited [a 2013 European study](#) that found children living in homes with gas cooking are 42% more likely to have asthma. That is important for cities like Richmond, Delforge said, where the asthma rate [is already higher](#) than the Alameda County average due to long-existing air quality problems.

Meanwhile, the architecture community also is optimistic about the shift toward renewable energy for home heating. According to Jared Green, senior editor of the American Society of Landscape Architecture and author of “Good Energy,” a new trend in design and construction could work in concert with electrified buildings and bring Richmond one step closer to its goal.

“In the architecture developer community, a lot of people are looking at ‘passive houses,’” Green said.

This approach uses building positioning, structure layout, and window organization to take advantage of solar power and local climate, reducing energy costs. Attracted by lower costs and the structures’ resilience to natural disasters, more architects view passive houses as a critical step in transitioning homes away from natural gas or oil, Green said.

“Given Bay Area cities like San Francisco and Richmond have a quite temperate climate,” he added, “the passive house approach would really work there.”

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Trick-or-treat returns to the East Bay, with Covid risk sharply reduced but not gone



Chevron refinery flaring events raise air pollution concerns

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Daily Tax Report ®

# Frito-Lay Loses Bid for Michigan Property Tax Exemption (1)

By Richard Tzul

June 30, 2022, 1:39 PM; Updated: June 30, 2022, 4:54 PM

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The Michigan Tax Tribunal ruled in favor of the state's Department of Treasury in a case in which Frito-Lay Inc. filed a petition so it could retain a tax exemption claim despite not paying a fee by the deadline.

There was no dispute of the facts between the parties, Judge Jason C. Grinnell wrote in an opinion released Thursday. Frito-Lay admitted to not paying its Essential Services Assessment fee on time but said the payment process was changed, causing confusion. Additionally, the corporation said, turnover in the property tax department and the pandemic were other factors that caused it to miss its deadline.

However, Frito-Lay received multiple notices about the fee and was warned about its Eligible Manufacturing Personal Property Tax Exemption claim being potentially rescinded, the tribunal said. Plus, the company signed and acknowledged its obligation to pay the fee when filing its tax exemption claim. The tribunal said the Treasury was mandated to rescind the exemption as required by law given the circumstances.

"Simply put, Respondent's uncontroverted evidence, legal authority, and legal analysis, dispositively establishes that Petitioner did not pay the full ESA," said the tribunal.

The company didn't file a response to the Treasury's motion for a summary disposition. The court could rule by summary disposition since no facts were being disputed by either party.

Frito-Lay may contest and ask the Tribunal for reconsideration or try to appeal the case with the Michigan Court of Appeals.

The company was represented by Matt Welch of George McElroy & Associates Inc., and the state Treasury was represented by Wesley Margeson of the Michigan Attorney General's Office.

"The Michigan Department of Treasury is committed to the consistent and fair application of state law," a spokesperson for the Treasury said. "We are satisfied with the Michigan Tax Tribunal decision."

Frito-Lay did not immediately respond to a request for comment.

The case is Frito-Lay, Inc. v. Mich. Dep't of Treasury, Mich. Tax Trib., No. 21-003926, 6/28/22.

(Adds Treasury response in eighth paragraph.)

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To contact the editor responsible for this story: Jeff Harrington at [jharrington@bloombergindustry.com](mailto:jharrington@bloombergindustry.com)

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# Mileage Rate Hike Won't Help Professional Drivers, Advocates Say

By Richard Tzul

July 6, 2022, 4:45 AM

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- Many taxi and ride-hailing drivers don't use mileage rate anyway
  - Ride-hail companies are using fuel surcharges to help drivers
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Advocates and labor organizers say the IRS's rare move to increase the business mileage deduction rate mid-year doesn't do much to ease the inflationary pressure on ride-hailing and taxicab drivers dealing with high gas prices.

Karen O'Byrne, president and interim CEO of Motus, the workforce management company that provides the data on which the IRS bases its rate, said it's only the third mid-year rate increase since 2008. The agency upped the rate to 62.5 cents per mile from 58.5 cents, effective July 1 through the end of the year. Mileage incurred in the first half of the year can be deducted only at the lower rate.

The New York Taxi Workers Alliance conducted a survey of approximately 500 drivers that found "a significant number of them" had to decide between gas or groceries, said Bhairavi Desai, Executive Director of the NYTWA.

The rate increase won't benefit the city's cab drivers, said Desai, as most opt instead to list their expenses individually rather than calculating mileage with the flat rate.

Drivers for ride-hailing services also might not see much of an effect. While contract workers in other professions can raise their rates, app-based drivers can't, said Nicole Moore, president of Rideshare Drivers United, a California-based advocacy group.

She said most Lyft and Uber drivers aren't required to pay much taxes to begin with, due to low wages.

"It doesn't help with our tax burden, because our tax burden is already zero," Moore said, adding that "the expenses of being a ride-share driver are so vast, and companies don't cover our costs."

Angela Alexander, a tax principal at Cleveland accounting firm Barnes Wendling CPAs, acknowledged that using the deduction rate wouldn't make much of a difference for ride-hail service drivers. However, since these drivers are paying out of pocket for their own expenses, they should still try to deduct every cent they can, she said.

"Four cents is four cents, but you know, it's still—with the price of gas right now, every little bit helps."

### **Mitigation Efforts**

Ride-hailing companies are instituting customer fees to mitigate the effects of high gas prices.

Lyft has added a 55-cent fuel surcharge for all US rides except in New York City and Nevada. Uber has implemented a similar fuel surcharge ranging from 45 to 55 cents for all US rides, with the exception of New York City.

The reason why the companies omitted New York City, said Desai, is because the city's Taxi and Limousine Commission raised pay rates earlier this year. The problem, she said, is the city's raise was based on outdated data that did not take inflation into account and is based on average household expenses, not spending data specific to driver contract workers.

The NYTWA, which also advocates for ride-hailing drivers, is trying to get a 75-cent fuel surcharge for both taxi and app-based drivers in the city to get relief. New York state has a gas tax holiday in effect through the end of 2022.

Though most drivers won't benefit from the IRS rate increase, Desai said it is "significant and something that we would hope signals to local regulators that they should take action for professional drivers," she said.

Lyft said its drivers made more than 25% above their minimum pay rate in the previous year, and its drivers are eligible for a wide range of tax deductions which can cover cellphone plans, lease payments, or vehicle depreciation.

Uber spokesperson Freddi Goldstein said the company's 5.3% driver rate increase, which took effect in March, brings "the minimum wage up to \$31.74 in New York City and helps with increasing fuel prices."

### **Keeping Up With Inflation**

The IRS rate hardly adjusts to the "volatility" of fuel prices, as had been the case even before rapid inflation, O'Byrne said. She said Motus has an alternate methodology called the Fixed and Variable Rate, which accounts for several fluctuating variables in vehicle costs, such as gas prices and routine upkeep related to vehicle use.

More than 300,000 clients, including Briggs & Stratton, Yuengling, and Papa John's, consult Motus for FAVR usage and other services, according to the workforce management company. However, there's overall little usage of FAVR in the market "because there is little market awareness of FAVR's existence," O'Byrne said.

The IRS flat rate was at 55.5 cents per mile in July 2011, the time of the most recent mid-year increase, and has gone as low as 53.5 cents since. The 55.5-cent figure effective in 2011 would be 71 cents if adjusted for inflation.

"There's not a clear end in sight with respect to these inflationary pressures," O'Byrne said.

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Daily Tax Report ®

# Senate Finance Committee Advances Retirement Package (1)

By Kaustuv Basu, Austin Ramsey and Richard Tzul

June 22, 2022, 11:58 AM; Updated: June 22, 2022, 1:47 PM

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- Bill passes Senate Finance with bipartisan support
  - Floor action expected later this year on retirement package
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The Senate Finance Committee advanced a retirement legislation package Wednesday, setting the stage for a final push to make it law by the end of the year.

The Enhancing American Retirement Now (EARN) Act, which the committee reported favorably by a vote of 28-0, has several provisions similar to the House's retirement package (H.R. 2954), including a provision that would allow employers to treat workers' student loan repayments the same as 401(k) contributions.

The House passed its retirement bill in March by a 414-5 vote. Last week, the Senate Health, Education, Labor and Pensions Committee advanced legislation (S. 4353) that would improve retirement coverage for part-time workers and facilitate access to workplace emergency savings accounts.

The push will now begin to combine elements of the three bills and hold floor votes in the Senate and the House on the entire package. Lawmakers have said that they aim to send the final package to President Joe Biden by the end of the year.

## The Finance Agenda

The EARN Act would also increase the minimum age by which workers must begin drawing down on their retirement savings to 75 from 72 and extend pooled plan designs to nonprofit 403(b) plans.

Like the House bill, the EARN Act would also create a lost-and-found retirement plan database to help reconnect workers with misplaced or forgotten retirement benefits from past jobs.

Senate Finance Chairman Ron Wyden (D-Ore.) said at the mark-up that the system wasn't doing enough to help people set money aside. "The need for reforms is even more urgent at a time when prices are rising and eating into family budgets," Wyden said. "More Americans are now reporting that they expect that they won't have enough to set aside to retire anytime soon."

Ranking member Mike Crapo (R-Idaho) said the retirement bill was the product of months of bipartisan work and would “increase participation in retirement plans, strengthen and encourage private retirement savings, and make it easier for employers to offer retirement plans.”

The HELP committee’s bill would allow employers to use retirement plan assets to pay off incidental plan design expenses, such as automatic enrollment—a key plank of the House bill.

The Finance Committee bill would also raise limits on mandatory retirement plan cash-out distributions to \$7,000 from \$5,000. It would facilitate the inclusion of side-car emergency savings accounts to retirement plans, letting workers save up to \$2,500, pre-tax and penalty-free.

The retirement bill, popularly known as Secure 2.0, is seen as a sequel to the broad retirement overhaul bill that was signed into law in 2019.

“It’s all designed to facilitate saving for your retirement and that is a very good thing,” Sen. Pat Toomey (R-Pa.) said during a Bloomberg Tax event Wednesday. “I don’t see why this can’t pass through some mechanism by the end of the year.”

(Adds Toomey quote in 12th paragraph.)

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## Topics

- federal employment legislation
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Daily Tax Report ®

# Top House Tax-Writer Seeks Swift Comey, McCabe Audit Probe (1)

By Naomi Jagoda and Richard Tzul

July 14, 2022, 5:58 PM; Updated: July 14, 2022, 6:47 PM

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House Ways and Means Committee Chair Richard Neal said Thursday that he hopes an IRS watchdog conducts a swift investigation into the audits of two former FBI leaders, and is urging the investigation's findings be made public.

"I want this to be publicized at the end," Neal (D-Mass.) said after members of his committee met privately with IRS Commissioner Chuck Rettig on Thursday afternoon.

Neal added that he hopes an investigation is completed before Rettig's term ends in November.

The *New York Times* last week reported that former FBI Director James Comey and former FBI Deputy Director Andrew McCabe—both of whom were frequently criticized by former President Donald Trump—have faced rare, intensive audits in the past few years. The audits both took place during the tenure of Rettig, a Trump appointee.

Rettig and Neal have both asked the Treasury Inspector General for Tax Administration to investigate the matter. The IRS has refuted the idea that Rettig or any other top IRS official would pick someone to audit for political reasons.

Lawmakers said IRS officials at the meeting discussed the odds of being selected for audits in the National Research Program. The Comey and McCabe audits were part of the program, which conducts research on tax compliance.

According to a source close to the IRS, the program has more than 80 tiers of tax-return categories included in sampling. In certain high-income groups, taxpayers have about a 1 in 250 chance of being audited as part of the program, while lower-income taxpayers have about a 1 in 500,000 chance, the source said.

In brief remarks to reporters following the meeting, Rettig called the conversation with lawmakers "productive."

"I think that every American should have intense trust and respect for the Internal Revenue Service, because we have that trust and respect for every American," he said.

Rettig's comments, however, didn't appease all his critics. Rep. Bill Pascrell (D-N.J.), the chair of the Ways and Means Committee's oversight subcommittee, said after leaving the meeting that he still wants Rettig to resign.

(Adds additional information in the sixth and seventh paragraphs.)

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