

# **Government Withholding Relief Coalition**

October 26, 2011

TO THE MEMBERS OF THE U. S. HOUSE OF REPRESENTATIVES:

The Government Withholding Relief Coalition and its member organizations strongly urge you to vote for H.R.674, a bipartisan bill to repeal the burdensome 3% Withholding Tax mandate enacted in Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222), when it is considered on the House floor later this week.

Unless repealed before it takes effect on January 1, 2013, the 3% Withholding Tax will have a dramatic, negative impact on millions of honest taxpaying businesses as well as state and local governments, health care providers, farmers and colleges and universities.

For many businesses the profit margin for projects they complete is often less than 3% meaning that the withholding tax will create significant cash flow problems for day-to-day operations as well as draining capital that could be used for job creation and business expansion. This mandate is also anti-stimulus in the sense that it removes money from local economies and sends it to the IRS.

The mandate is already proving costly and will increase exponentially as the implementation deadline moves closer. If this mandate is not repealed, it will cost companies and governments at all levels substantial amounts of money just to prepare to comply with this unnecessary and unfortunate tax provision. These exorbitant expenditures will be at the expense of hiring new employees, expanding businesses, and providing government services at a time that neither the public nor private sector can handle such unnecessary costs.

In addition, we strongly support the view that those receiving payments from the government should meet their federal, state and local tax obligations. However, imposing an onerous 3% Withholding Tax on transactions between government and honest taxpaying businesses is not the answer.

The Government Withholding Relief Coalition, which represents all sectors of the economy, believes it is imperative that the 3% Withholding Tax be repealed as soon as possible to limit the damaging impacts to our economy. We appreciate the bicameral, bipartisan support of efforts to repeal it and strongly encourage you to vote for H.R.674.

Sincerely,

Government Withholding Relief Coalition

- Aeronautical Repair Station Association
- Aerospace Industries Association
- Air Conditioning Contractors of America
- Air Transport Association

- Airports Council International-North America
- America's Health Insurance Plans
- American Ambulance Association
- American Bankers Association
- American Bus Association
- American Clinical Laboratory Association
- American Concrete Pressure Pipe Association
- American Congress on Surveying and Mapping
- American Council of Engineering Companies
- American Dental Association
- American Farm Bureau Federation
- American Gas Association
- American Health Care Association
- American Institute of Architects
- American Institute of Certified Public Accountants
- American Logistics Association
- American Medical Association
- American Moving and Storage Association
- American Nursery and Landscape Association
- American Road & Transportation Builders Association
- American Society of Civil Engineers
- American Society of Landscape Architects
- American Subcontractors Association
- American Supply Association
- American Traffic Safety Services Association
- American Trucking Associations
- Armed Forces Marketing Council
- Associated Builders and Contractors
- Associated Equipment Distributors
- Associated General Contractors of America
- Association of Management Consulting Firms
- Association of National Account Executives
- Association of School Business Officials International
- Baltimore Washington Corridor Chamber
- Biotechnology Industry Association
- Business and Institutional Furniture Manufacturers Association
- CTIA-The Wireless Association™
- California Association of Public Purchasing Officers
- Coalition for Government Procurement
- Colorado Motor Carriers Association
- Computing Technology Industry Association
- Construction CPAs/Consultants Association (CICPAC)
- Construction Contractors Association
- Construction Employers' Association of California
- Construction Financial Management Association
- Construction Industry Round Table
- Construction Management Association of America
- Design Professionals Coalition
- Edison Electric Institute
- Electronic Security Association
- Engineering & Utility Contractors Association
- Federation of American Hospitals
- Financial Executives International
- Financial Services Institute
- Finishing Contractors Association
- Gold Coast Hispanic Chamber of Commerce
- Government Finance Officers Association
- Hawaii Transportation Association
- Heating, Airconditioning & Refrigeration Distributors International

- IPC — Association Connecting Electronics Industries
- Independent Electrical Contractors, Inc
- International City/County Management Association
- International Council of Employers of Bricklayers and Allied Craftworkers
- International Foodservice Distributors Association
- International Municipal Lawyers Association
- Large Public Power Council
- Management Association for Private Photogrammetric Surveyors
- Mason Contractors Association of America
- Mechanical Contractors Association of America
- Medical Group Management Association
- Messenger Courier Association of the Americas
- Miami Dade County
- Mississippi Trucking Association
- Modular Building Institute
- Motor Transport Association of Connecticut
- Munitions Industrial Base Task Force
- National Asphalt Pavement Association
- National Association for Self-Employed
- National Association of College & University Business Officers
- National Association of Counties
- National Association of Credit Management
- National Association of Educational Procurement
- National Association of Energy Services Companies
- National Association of Government Contractors
- National Association of Manufacturers
- National Association of Minority Contractors
- National Association of State Auditors, Comptrollers and Treasurers
- National Association of State Chief Information Officers
- National Association of State Procurement Officials
- National Association of Surety Bond Producers
- National Association of Water Companies
- National Association of Wholesaler-Distributors
- National Beer Wholesalers Association
- National Corn Growers Association
- National Council for Public Procurement and Contracting
- National Defense Industrial Association
- National Electrical Contractors Association
- National Electrical Manufacturers Association
- National Emergency Equipment Dealers Association
- National Federation of Independent Business
- National Institute of Governmental Purchasing
- National Italian-American Business Association
- National League of Cities
- National Mining Association
- National Office Products Alliance
- National Precast Concrete Association
- National Propane Gas Association
- National Office Products Alliance
- National Railroad Construction & Maintenance Association

- National Ready Mixed Concrete Association
- National Roofing Contractors Association
- National School Transportation Association
- National Small Business Association
- National Society of Professional Engineers
- National Society of Professional Surveyors
- National Utility Contractors Association
- National Wooden Pallet and Container Association
- New Jersey Chamber of Commerce
- North-American Association of Uniform Manufacturers & Distributors
- North Coast Builders Exchange
- Office Furniture Dealers Alliance
- Oregon Trucking Association
- Owner Operator Independent Drivers Association
- Petroleum Marketers Association of America
- Plumbing-Heating-Cooling Contractors – National Association
- Printing Industries of America
- Professional Services Council
- Regional Legislative Alliance of Ventura and Santa Barbara Counties
- Retail Energy Supply Association
- Santa Rosa Chamber of Commerce
- Security Industry Association
- Service Disabled Veteran Owned Small Business Council
- Sheet Metal and Air Conditioning Contractors National Association, Inc.
- Shipbuilders Council of America
- Small Business & Entrepreneurship Council
- Small Business Legislative Council
- South Carolina Trucking Association
- TechAmerica
- Textile Rental Services Association of America
- The Association of Union Constructors
- The Distilled Spirits Council of the U.S.
- The Financial Services Roundtable
- U.S. Chamber of Commerce
- U.S. Conference of Mayors
- United States Telecom Association
- Veterans Business Institute
- Veterans Entrepreneurship Task Force
- Water and Wastewater Equipment Manufacturers Association
- Women Construction Owners & Executives
- Women Impacting Public Policy