

Government Withholding Relief Coalition

November 10, 2011

TO THE MEMBERS OF THE UNITED STATES SENATE:

The Government Withholding Relief Coalition and its member organizations strongly urge you to vote for H.R. 674, bipartisan legislation to fully 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).

The bill passed in the U.S. House of Representatives by a vote of 405 to 16 and is supported by the Administration. The bill's offset also enjoys bipartisan support and is endorsed by the Administration. Given the massive bipartisan support and the endorsement of the Administration, we call on the Senate to approve H.R. 674 to give certainty to those impacted—businesses, doctors, farmers, state and local governments and colleges and universities.

Unless repealed before it takes effect on January 1, 2013, the 3% Withholding Tax will have a dramatic, negative impact on millions of honest taxpaying businesses as well as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. The profit margin for many businesses 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 If this mandate is not repealed, it will cost companies and governments at all levels substantial amounts of money just to prepare to comply with this unnecessary and unfortunate tax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.

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Coalition, which represents all sectors of the economy, believes it is imperative that the 3% Withholding Tax be fully repealed to limit the damaging impacts to our economy.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

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 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 Organization
 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
 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
 Massachusetts Motor Transportation Association
 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 Automobile Dealers Association
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 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
The U.S. Conference of Mayors
U.S. Chamber of Commerce
United States Telecom Association
Utah Trucking Association
Veterans Business Institute
Veterans Entrepreneurship Task Force
Water and Wastewater Equipment
Manufacturers Association
Women Construction Owners & Executives
Women Impacting Public Policy