

Government Withholding Relief Coalition

July 17, 2007

The Honorable Charles Rangel
Chairman
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

The Honorable Jim McCrery
Ranking Member
Committee on Ways and Means
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Rangel and Ranking Member McCrery:

The *Government Withholding Relief Coalition* and its member organizations are writing because it has come to our attention that language will be included in H.R. 3056, the "Tax Collection Responsibility Act of 2007," that would delay the implementation of the 3 percent tax withholding requirement by one year. The *Government Withholding Relief Coalition* was formed to repeal Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005, which mandates the sweeping new requirement that federal, state, and local governments withhold 3 percent of their payments for goods and services.

We thank you and the committee for your attention to the withholding issue. Section 511 will have particularly harmful consequences to many industries if it is allowed to become effective. We appreciate the committee's action on this issue and look forward to continuing to work with you to develop a permanent solution through repealing the requirement.

The coalition supports H.R. 1023, legislation introduced by Congressmen Kendrick Meek and Wally Herger, which would repeal the withholding requirement. This bipartisan legislation has 179 cosponsors, many of them members of the House Committee on Ways and Means.

The *Government Withholding Relief Coalition* and its member organizations appreciate your leadership on the effort to address the withholding requirement and look forward to working with you to rescind Section 511.

Sincerely,

Government Withholding Relief Coalition

Aeronautical Repair Station Association
Aerospace Industries Association
Air Transport Association
America's Health Insurance Plans
American Bankers Association
American Congress on Surveying and Mapping
American Council of Engineering Companies
American Farm Bureau Federation
American Institute of Architects
American Moving and Storage Association
American Nursery and Landscape Association
American Road & Transportation Builders Association
American Shipbuilding Association
American Society of Civil Engineers
American Supply Association

American Trucking Associations
Associated Builders and Contractors
Associated Equipment Distributors
Association of National Account Executives
Coalition for Government Procurement
Computing Technology Industry Association
Construction Industry Round Table
Construction Management Association of America
Contract Services Association
Design Professionals Coalition
Edison Electric Institute
Electronic Industries Alliance
Engineering & Utility Contractors Association
Federation of American Hospitals
Financial Executives International's Committee on Government Business
Financial Executives International's Committee on Taxation
Gold Coast Hispanic Chamber of Commerce
Independent Electrical Contractors, Inc
Information Technology Association of America
International Foodservice Distributors Association
Management Association for Private Photogrammetric Surveyors
Mason Contractors Association of America
Mechanical Contractors Association of America
Messenger Courier Association of the Americas
Modular Building Institute
National Association for Self-Employed
National Association of Credit Management
National Association of Manufacturers
National Burglar and Fire Alarm Association
National Defense Industrial Association
National Electrical Contractors Association
National Federation of Independent Business
National Italian-American Business Association
National Precast Concrete Association
National Office Products Alliance
National Roofing Contractors 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
Office Furniture Dealers Alliance
Plumbing-Heating-Cooling Contractors - National Association
Printing Industries of America
Professional Services Council
Regional Legislative Alliance of Ventura and Santa Barbara Counties
Santa Rosa Chamber of Commerce
Security Industry Association
Small Business & Entrepreneurship Council
The Associated General Contractors of America
The Financial Services Roundtable
U.S. Chamber of Commerce
United States Telecom Association
Women Impacting Public Policy

Cc: Members of the Committee on Ways and Means