Government Withholding Relief Coalition

March 10, 2009

Mr. Douglas Shulman
Commissioner
CC:PA:LPD:PR (REG-158747), Room 5205
Internal Revenue Service
P.O. Box 7604, Ben Franklin Station
Washington, D.C. 20044

RE: Proposed Rule on Withholding Under Internal Revenue Code Section 3402(t)
[REG-158747-06]

Dear Mr. Shulman:

The undersigned members of the *Government Withholding Relief Coalition* (the Coalition) appreciate the opportunity to comment on the proposed rule implementing the Internal Revenue Code Section 3402(t). The Coalition was formed to seek full repeal of Section 511 of Public Law No. 109-222, the "Tax Increase Prevention and Reconciliation Act of 2005" that was signed into law on May 17, 2006 and created Section 3402(t). Section 511 mandated the sweeping new requirement that federal, state, and local governments withhold 3% of their payments for goods and services (the "government withholding regime"). The effective date, initially set for January 1, 2011, was delayed by one year to January 1, 2012 by Public Law No. 111-5, the "American Recovery and Reinvestment Act of 2009" that was signed into law on February 17, 2009.

The one-year delay is positive in the sense that it demonstrates that Congress realizes there are issues with implementing Section 3402(t). However, merely delaying the effective date is not a solution because there is still no equitable, practical, or cost-effective way to implement this new requirement. This withholding of payments bears little relationship to tax liabilities and will do little to close the "tax gap." The only real solution is to fully repeal this counter-productive and oppressive law. The Coalition will continue to work with agencies implementing Section 3402(t), while simultaneously continuing to advocate vigorously for repeal of this misguided and far-reaching withholding law. Particularly during these extraordinary economic times, the significant additional financial burden on companies and governments is grossly misplaced.

Although the Coalition recognizes that the Internal Revenue Service (IRS) must implement the law, we do not believe there is any pragmatic or rational way to implement this new requirement, even if done so in an extremely flexible manner by the IRS and the rest of the federal government. The government withholding regime will impose significant financial and resource burdens on federal, state, and local entities, including the IRS. Ultimately, the Coalition believes the government withholding regime will significantly increase costs to governments and will directly impact the ability of governments to maintain competition and receive best value for the taxpayer's dollar.

While this requirement will first apply to payments made on or after January 1, 2012 because of the statutory delay, some companies, as well as federal, state, and local governments, are already spending funds preparing for implementation now. This is immediately demonstrated by the fact that the IRS has expended manpower developing this proposed rule and the private sector has invested resources developing comments on this rule. These expenditures and others are needless preparation expenses, particularly during these tumultuous economic times, for a requirement that most believe should never have been enacted and should be repealed.

The Department of Defense (DoD) estimated that the costs to comply with the 3% withholding requirement will be in excess of $17 billion over the first five-year period, which is far more than any estimated revenue gains. While $17 billion is substantial, it is only a small portion of the additional costs with which governments and the private sector would be burdened as a result of implementing Section 3402(t). Companies should not be spending money on preparing to comply with this misguided law when they should be using their limited resources to ameliorate liquidity challenges, retain employees, create new jobs, meet pension funding requirements, and purchase capital assets.

While the Coalition does continue to actively work with Congress to repeal this requirement, we urge the IRS to move with deliberate speed to finalize these regulations, without unjustly compromising a thorough review of the impact of each provision in the rule. There are many steps subsequent to the IRS finalizing this rule that the rest of the federal government, state and local governments, and companies must undertake to prepare for the effective date. At a minimum on the federal level, the Federal Acquisition Regulations (FAR), the Centers for Medicare & Medicaid Services (CMS), Office of Management and Budget Common Rule for grants, and U.S. Department of Agriculture (USDA) regulations will all need to be modified. In addition, state and local governments will need to make significant changes to their individual regulatory structures. Governments at all levels will also be required to make significant systems changes and code modifications.

We urge the IRS to utilize as much flexibility as possible when interpreting the legislation and developing an interim or final rule in order to reduce the impact to companies and governments. We also urge the IRS to remain open and flexible to modifications to any rule in order to take into account issues that may arise during implementation. The execution of this law is extremely complicated and numerous unintended consequences are bound to develop, which may instigate a need for future changes to be made quickly.

The Coalition will continue and expand efforts to fully repeal this requirement, emphasizing the costly and harmful consequences if it is not repealed as soon as possible. The following comments highlight our primary areas of interest and concern with the proposed rule.

Payments Over a Certain Threshold

We strongly support the IRS proposal to implement a threshold below which payments would not be subject to the withholding requirement. In addition, the threshold amount should be indexed to inflation (or another appropriate measure to ensure "round" numbers) to preserve its utility over time. This is a common practice in many areas and we strongly urge that the threshold not be a static number that would then necessitate regular increases in the future.

Although the payment threshold will be helpful, it will then cause additional complexities because some payments will be impacted while others will not. All efforts should be considered to limit these problems, including setting the threshold above $10,000 so fewer transactions are covered and further clarifying regulations relating to bundled payments. Paragraph 31-3402(t)-3(b)(2) indicates that this threshold applies to the total amount of the payment when the government entity chooses for its convenience to bundle payments for different unrelated transactions, causing the total amount of the payment to exceed $10,000. We can understand why this requirement should apply if the payments are for the same property or services, and were billed separately merely to evade the threshold. But, if the payments are for unrelated transactions, we believe the threshold should apply to each transaction separately, rather than to the full payment amount.

As a specific example, DoD and other federal agencies make transportation payments via U.S. Bank's PowerTrack payment system to its transportation providers for both freight and household goods. Each individual transaction occurs anywhere in the country or in the world, with different shipper customers, and each transaction is billed separately to the Government. For convenience, agencies have chosen to do business with U.S. Bank to bundle the payments for these services, and U.S. Bank makes a single payment for all of the invoices submitted by a transportation provider, then collects the funds from the multiple DoD payment accounts.

As another example, many food suppliers to commissaries make daily deliveries or several deliveries per week. Each delivery is a distinct transaction with a separate identity. However, solely for administrative convenience, both parties have agreed to combined invoices for a weekly or bi-weekly period. In the case of the Defense Commissary Agency, those invoices are “rolled-up” a second time in the paying office into a single large payment representing many deliveries to many locations.

Since the individual agencies have chosen to take advantage of this method of bundling these unrelated transactions, some payments will exceed the $10,000 threshold simply because numerous individual invoices were processed at one time, while other payments will not be subject to the withholding because the aggregate payment did not exceed $10,000 that time. This will create an accounting nightmare for firms and agencies to reconcile payments with money withheld from some payments but not others. Therefore, we recommend that paragraph 31-3402(t)-3(b)(2) be deleted, leaving proposed paragraph (3) to address "anti-abuse" situations.

Another unanticipated impact of the bundled payments approach is that it will make the logic of applying receipts nearly impossible to program into taxpayer accounts receivable systems. The lack of a reliable logic in turn will significantly increase non value-added administrative activities as receipts for invoices under the threshold will need to be manually applied. Treating each invoice as a stand-alone transaction in making the determination if the withhold applies is a simpler logic that taxpayers should be able to better accommodate in their processes and systems.

No Flow Down to Subcontractors

We appreciate the IRS's consideration of complex contracting relationships in excluding payments to subcontractors from the withholding requirement. Contracting officers and the IRS cannot regulate and ensure that subcontractors would be credited for funds withheld from them by prime contractors. The law pertains to prime contracts only since the government's contract is

with the prime contractor. Additionally, flowing down the additional costs may very well be prohibited under the Federal Prompt Payment laws, FAR clauses, and other federal statutes.

The compliance burden for many companies would be extremely high if they were required by law to withhold these payments on all their payments to subcontractors. Currently companies do not need to withhold on payments to non-employees and are required to issue a Form 1099 to only a limited number of vendors. For those companies with commercial and government business, if subcontracts were not exempt, they would need to withhold from some suppliers and not others. The cost to put in place a system to cover this would be very high and not contribute significantly to closing the tax gap.

However, we are also concerned about the timing of transmissions of withheld funds and the subsequent refunds to contractors. For example, the typical construction firm and most small businesses operate on very small profit margins. In some instances, this new law could completely seize a company's entire profit and force it to temporarily operate at a net loss. This will create a major cash flow problem for contractors of all sizes and, inevitably, some will choose not to bid on government projects in the future. Not only would this stifle competition but it would also result in cost increases on projects.

Exempt Payment Card Transactions

The Coalition recommends that the IRS exempt payment card transactions from the withholding regulations since there is no mechanism to allow for a government entity to withhold 3% from a transaction that is paid with a payment card. Like any other cardholder, the government entity will receive its bill for the service purchased, and the merchant will be paid as with any other payment card transaction. There is no method to automatically withhold 3% of a payment in connection with these government card transactions. Furthermore, the need to withhold 3% from payment card transactions is significantly mitigated by the enactment of Section 6050W of the Code, which requires all merchant acquirers to report—and possibly engage in backup withholding—to the IRS the aggregate amounts of payment card transactions for their merchants. Section 6050W should significantly address tax compliance by all merchants, including those providing goods and services to the government, essentially eliminating the need for 3% withholding by government entities in connection with payment card transactions.

If the IRS does not exempt payment card transactions from the proposal, card issuers may be forced to deny authorization for payment card transactions involving government cards that are equal to or greater than the payment threshold. As an alternative, we recommend that the payment threshold be increased substantially for payment cards in order to limit the impact on card transactions and to ensure card issuers can and will continue to process transactions. Such an increase in the payment threshold would reduce the disruption for government cardholders that such denials in authorization may cause. In addition, the payment card threshold amount should be indexed to inflation or another appropriate measure as discussed above.

With respect to when payment is made (and therefore when the requirement applies), the IRS proposal states that a payment made by a government entity by payment card "occurs when the credit card or payment card is tendered at the point of sale." We agree that this is an appropriate interpretation. The proposed rule also notes that, in connection with a payment card transaction, the "government entity is liable for withholding under section 3402(t) and reporting

associated with such withholding." Again, we agree with the IRS. Any obligation to comply with the requirement in connection with a payment card transaction must fall squarely, and solely, on the government entity. However, we recommend that the IRS clarify that the government entity is liable for withholding only if the transaction is not below the payment threshold.

Exempt Pass-Through Entities (S Corps, Partnerships) from Withholding

Proposed 31.3402(t)-5 requires government jurisdictions to withhold tax on pass-through entities such as partnerships, limited liability companies (treated as partnerships) and S-Corporations even though they are not taxpaying entities. This requirement imposes a substantial additional administrative and compliance burden on pass-through entities. In addition, this action could cause unforeseen taxable events to the owners if the distribution is in excess of their basis in the pass-through entity. In light of these additional costs and risks, we recommend that the proposed regulations exclude the withholding requirement on pass-through entities.

At a minimum, for a pass-through entity with multiple and changing partners or equity holders, the complex process for tracking and appropriately allocating and reporting withheld taxes among such equity holders of the pass-through entity must be addressed by the regulations. The IRS will have to alter both its computer systems as well as its forms to allow withholding to be treated as "allocated" tax payments that then need to be attributed to and tracked under the multiple taxpayer identification numbers of the pass-through entity owners. The regulations should make specific reference to the forms and to the method of allocation. The regulations will also need to address a simplified procedure to remove any tax underpayment penalties mistakenly applied to said equity holders if the allocated tax withholdings are not initially allocated to the correct equity holders. The regulations should also address what information the government payors will be authorized or required to collect from the pass-through entities regarding their equity holders.

Impact on New and Materially Modified Contracts

Proposed 31.3402(t)-7(b) provides that only written binding contracts entered into after the later of December 31, 2010 or six months after the rule was made final are impacted by the withholding requirement. The proposed regulations also state that this transition rule exception does not apply to payments made under any contract that is "materially modified" after the later of December 31, 2010 or six months after the rule was made final. Due to the statutory change, the applicable date should now be December 31, 2011.

The Coalition strongly supports having only new contracts and materially modified contracts impacted. This will help lessen the burden during the transition. The materially modified term should be interpreted narrowly so as to not unnecessarily pull in additional contracts. Contract modifications or orders not requiring additional competitive bidding based on exceptions to competitive bidding set out in FAR sections 6.001 (c), (d), (e) (1), (e) (2), and (f) should not be treated as materially modified. The definition of materially modified should also exclude the exercising of equipment lease and option years that exist in many service contracts. Many equipment leases would have to be re-priced to reflect the 3% withholding as a new requirement.

We also recommend that the application of the government withholding regime to Provider Agreements under the Medicare program should be expressly clarified. Under the

Medicare program, each hospital generally is required to enter into a Provider Agreement with CMS pursuant to the Social Security Act. A Provider Agreement provides the basis for the hospital to receive Medicare payments. The amount and nature of the exact payments made depend on applicable federal law, which is subject to change. The final regulations should expressly provide that all such Provider Agreements will not be treated as "materially modified." We believe that it is unlikely that there would be material change to the Provider Agreements absent a major modification of the Medicare program, but the clarification will ensure that the impact is limited.

Credit Taken Against Estimated Income Tax Withholdings

We support allowing companies to offset the income tax withheld under section 3402(t) and allowing it as a credit when determining estimated tax liability. This provision is very important in limiting the cash flow impact to companies. We encourage the IRS to specifically address the availability of a credit against estimated tax liability either in final section 3402 regulations, or in regulations under sections 6654 and 6655. IRS regulations, policies, and forms detailing the processes for taking offsets against quarterly and annual income tax filings should be completed well in advance of January 1, 2012 to provide taxpayers sufficient time to modify their systems and processes for the offsets which will be required to avoid over-taxation.

Eliminate the Disadvantage to Fiscal Year Tax Filers

Section 31(a)(2) of the proposed rule unfairly creates a disadvantage for firms that file on a fiscal year rather than calendar year basis. The preamble of the rule states "the effect of section 31(a)(2) is that fiscal year taxpayers may be entitled to take credit for withholding under section 3402(t) only in a taxable year subsequent to the taxable year in which the amount was withheld." Thus, taxpayers filing on a fiscal year (FY) basis will not be allowed to credit the amounts withheld against Federal tax liabilities until the next fiscal year, while calendar year (CY) filers will be allowed to apply amounts withheld in the same tax year of liability. This difference in timing is inequitable to FY taxpayers.

Consider, for example, a FY taxpayer with an August filing. For income recognized in Year 1, the FY taxpayer will not be able to take credit for the entire tax amount withheld in tax year 1 until its next tax year – an 8-month differential in getting credit for tax withheld and a mismatch in tax withheld to tax liability. This results in a permanent, interest-free "loan" to the government in the form of an "advance payment" of withholding tax from one year to the next because the taxpayer is always in an excess withholding position and never catches up.

In addition, the impact on the FY taxpayer's cash flow is magnified in the government contractor arena, particularly for professional services providers. In most cases, professional services firms are paid at the end of their performance for the professional services rendered, where the costs of the services provided are the company's main cost component. For these companies, there is simply no cushion to absorb the perpetual mismatch of income recognized and crediting the tax withheld.

Finally, the permanent, interest-free "loan" is also likely to create competitive disparities between FY and CY government contractors since the CY taxpayers could have lower costs because they will not have to make the interest-free "loan" to the government for as long.

We recommend that the regulations be revised to permit FY filers to credit amounts withheld in their FY against that same year's tax liability. This change would permit FY filers to match the total tax paid with the income recognized and not require FY taxpayers to absorb unnecessary costs with carry-overs into the subsequent FY.

Exemption for Classified Contracts

In addition to the exemption from withholding for payments made pursuant to a classified or confidential contract described in section 6050M(e)(3), any contract whose subject matter contains any scope or work subject to the National Industrial Security Program Operating Manual (NISPOM) should also be considered as an excluded classified contract.

Payment Administrator Exemption

The current rules exempt from withholding a payment administrator acting solely as an agent for a government agency, making a payment on behalf of the government agency, to the extent that the payment administrator receives a fee for its payment administrator services. We support this exemption.

This exemption, however, does not address an almost identical issue arising under Department of Energy (DoE) Management and Operation (M&O) contracts, whereby a management services contractor manages a zero balance bank account for DoE to pay for all managed services and procurements at a government site. Under the FAR regulations, such a management services contractor, whose role is directly analogous to the payment administrator role, is specifically barred from treatment as an agent. The entire zero balance bank account structure is based on the fact that the management services contractor will not be required to incur any capital layout or cost of capital for the contract. However, the time value cost of carrying out the 3% withholding on all managed services is clearly contrary to that requirement. The imposition of the 3% withholding to such management services contractors would also cause such management services contractors to request an adjustment from DoE for the newly required additional cost of funds. This would create significantly more complexity as well as higher DoE procurement costs. Given that these facts are very similar to the payment administrator exemption but do not meet the agency test there, that exemption should be extended to the very specific case of management services contractors for DoE and other similar governmental arrangements.

Limit Impact on Farm Payments

The proposed regulations will place a higher tax burden on our nation's farmers because of their unique tax treatment and because many farmers receive farm program payments from the USDA.

In enacting section 6654(i) of the Internal Revenue Code, Congress chose to treat farmers differently from other taxpayers in the context of estimated taxes. Farmers enjoy a special estimated tax regime that provides for only one estimated payment due in January of the succeeding tax year, rather than the quarterly estimated tax payments generally required of non-farmer taxpayers. As a result, if a farmer has sufficient taxable income for the year, the section 3402(t) withholding on government payments will result in an acceleration in the payment of tax rather than permitting the farmer to include the amount in making his or her estimated tax payment in January of the succeeding year (March 1, if filing a return by then). For farmers without a tax obligation as high as the amount withheld under section 3402(t), the withholding

obligation will serve as an interest-free loan to the federal government until the farmer files and receives a refund the following year.

Section 3402(t) should not apply to many of the farm program payments paid under the Food, Conservation, and Energy Act of 2008, known as the 2008 Farm Bill. Many farm program payments are not payments received for property and services, such as emergency loans and insurance payments based upon a farmer's individual need. Payments made from, for example, the Supplemental Revenue Assistance program should not be subject to withholding. Similarly, several types of payments may be for goods and services, but they are not included in taxable income and therefore should not be subject to withholding. The IRS has determined that Conservation Reserve payments and Conservation Stewardship payments fall into this category and the cost-share portion of those payments should not be subject to withholding. Moreover, other types of payments are already subject to voluntary withholding at the election of the farmer. Payments made for peanuts and some disaster assistance payments are subject to voluntary withholding and should not face additional withholding regardless of the taxpayer's election. Finally, other types of payments are not payments but loans that must be repaid. No withholding should be applied in those circumstances, such as the various marketing assistance loans. These should be spelled out in this proposed rule, unless the IRS feels it is in the USDA's jurisdiction. If that is the case, the IRS should communicate their views to the USDA on this matter.

Application to Grants

With respect to Federal grant recipients, the 3% withholding rule will complicate grant management for state and local governments that purchase products and services from the private sector as authorized by Federal grant awards. Grant-making agencies and grant recipients already have extensive requirements and strictures which are mandated by Federal law and by regulation. The 3% withholding rule introduces new legal and administrative complications to the grant management process for all parties.

For example, a city or county fire department which receives a Fire Act grant from the Department of Homeland Security (DHS) specifically to enable the purchase of an emergency response vehicle would be diverting Federal grant money from the authorized acquisition use into the 3% withholding process. The company awarded the bid to fill the Fire Act grant recipient's purchase would not receive the entire amount designated by and authorized by the grant until an uncertain future date at which time the local government's grant eligibility may have expired.

We recommend exempting from the 3% withholding requirements Federal grant recipients who are following the strictures of the grant eligibility and award process. Alternatively, we recommend that the IRS develop a reasonable way to apply the 3% withholding rule that does not impede, imperil or undermine the goals and terms of Federal grant management. Agencies such as DHS, DoD, Health and Human Services and others will have specific concerns with the 3% withholding rule as it intersects with the laws and regulations that now already apply to their granting authorities and practices.

Use Moving Average to Determine When Political Subdivisions and Instrumentalities Hit the $100 Million Threshold

The proposed rule states that political subdivisions and instrumentalities must comply with the withholding law if they breach the $100 million threshold "during the accounting year…ending with or within the second preceding calendar year." While this is a fairly simple test, it does not take into account occasions where the subdivision has unusually high expenditures in one year. This could be particularly pronounced during the transition period to this rule because of all the stimulus funds that are flowing to local governments. It would be a complete waste of funds for the local government and its contractors and suppliers to implement a system that could, in actuality, only affect them for one year.

The rule should allow government subdivisions to average multiple accounting years. We recommend a moving average of 5 to 10 years (removing highest year), with the most recent accounting year taken into account ending with or within the second preceding calendar year. We also recommend removing the highest expenditure year in the moving average in order to limit the impacts of federal stimulus plans or large capital projects. The expense that needs to be undertaken by political subdivisions and their suppliers to implement and administer this withholding will be great, so everything possible should be done to limit its "on-and-off" applicability.

Government Jurisdictions Should Notify Vendors of Withholding

The proposed regulations do not require government jurisdictions to notify vendors whether they are required to withhold payments under 3402(t), but they should. For example, section 3402(t)-4(g) provides for an exemption from the withholding requirements for political subdivisions making less than $100 million annually in payments for property or services. The regulations provide political subdivisions some guidance on how to determine whether they meet this exception, but that determination could change from year to year and from political subdivision to subdivision. Thus, to assist vendors in planning and accounting for withholding, we recommend that the regulations require government jurisdictions to notify taxpayers if and when withholding commences and terminates on vendor contracts. This notice is particularly important for taxpayers who must take into account withholding when determining estimated payments in a tax year. Large government contractors may have hundreds of active contracts in any year; if there will be withholding, companies will set up ledger accounts and should modify their receivables system to properly account for the withholding.

Impact on Governmental Entities Under the $100 Million Threshold

Although entities budgeted to spend under the $100 million threshold may not be required to withhold the 3%, many of those small government entities access contracts established by larger jurisdictions that are over the $100 million threshold. If, as expected, vendors add a percentage to their pricing in order to maintain their cash flow, these smaller entities will be paying the increased costs for goods and services, without the benefit of planning for these budget impacts.

Disputes on Amounts Withheld for Tax Reporting Purposes

The proposed rule did not address how taxpayers may dispute and resolve discrepancies in the value of withholds reported by Government Payment Offices. With the complex logic and numerous exemptions there will be many, if not countless, disputes and the taxpayer must be provided the opportunity to resolve them in a timely manner. In advance of January 1, 2012,

every Government Payment Office and the IRS will need to increase staffing to support disputes and be able to communicate both the resolution and escalation processes clearly to taxpayers.

Exempt Compliant Vendors from Withholding

Due to the burden and costs of the proposed regulation, we recommend that IRS develop a process to exempt from withholding those taxpayers who can demonstrate their compliance with their tax obligations in connection with income earned from Government sources. For companies under IRS audit, the on-site IRS audit team could make this determination. For other companies, the IRS could develop procedures for on-site testing or could conduct reviews at local IRS offices. From a systems perspective, the exemption from withholdings would be relatively simple to achieve if a tax compliance indicator was added to the U.S. Government Central Contractor Registration (CCR) system and it was relied upon by government payment systems when making the determination whether or not to take a withhold. The indicator would be entered and maintained by the IRS for taxpayers that have demonstrated compliance with their tax liabilities. Taxpayers not in the CCR, or those that have failed to demonstrate compliance would be subject to withholdings. The exemption strategy for compliant taxpayers would greatly reduce the instances of over-taxation and serve as an incentive for those with tax issues to resolve them with the IRS in a timely manner.

Sincerely,

Government Withholding Relief Coalition

- Aeronautical Repair Station Association
- Aerospace Industries Association
- Air Conditioning Contractors of America
- Air Transport Association
- America's Health Insurance Plans
- American Bankers Association
- American Clinical Laboratory Association
- American Concrete Pressure Pipe Association
- American Congress on Surveying and Mapping
- American Council of Engineering Companies
- American Farm Bureau Federation
- American Heath Care Association
- American Institute of Architects
- American Logistics Association
- American Moving and Storage Association
- American Nursery and Landscape Association
- American Road & Transportation Builders Association
- American Shipbuilding Association
- American Society of Civil Engineers
- American Subcontractors Association
- American Supply Association
- American Trucking Associations
- Associated Builders and Contractors
- Associated Equipment Distributors
- Association of National Account Executives
- Business and Institutional Furniture Manufacturers Association
- Coalition for Government Procurement
- Colorado Motor Carriers Association
- Computing Technology Industry Association
- Construction Contractors Association
- Construction Industry Round Table
- Construction Management Association of America
- Design Professionals Coalition
- Edison Electric Institute

- Engineering & Utility Contractors Association
- Federation of American Hospitals
- Financial Executives International's Committee on Government Business
- Financial Executives International's Committee on Taxation
- Finishing Contractors Association
- Gold Coast Hispanic Chamber of Commerce
- Independent Electrical Contractors, Inc
- International Council of Employers of Bricklayers and Allied Craftworkers
- 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
- Miami Dade County
- Modular Building Institute
- National Association for Self-Employed
- National Association of Credit Management
- National Association of Manufacturers
- National Association of Minority Contractors
- National Beer Wholesalers Association
- National Burglar and Fire Alarm Association
- National Defense Industrial Association
- National Electrical Contractors Association
- National Emergency Equipment Dealers Association
- National Federation of Independent Business
- National Institute of Governmental Purchasing
- 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
- North Coast Builders Exchange
- Office Furniture Dealers Alliance
- Oregon Trucking Association
- 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
- Sheet Metal and Air Conditioning Contractors National Association, Inc.
- Small Business & Entrepreneurship Council
- Small Business Legislative Council
- Textile Rental Services Association of America
- The Associated General Contractors of America
- The Association of Union Constructors
- The Distilled Spirits Council of the U.S.
- The Financial Services Roundtable
- The Technology Association of America
- U.S. Chamber of Commerce
- United States Telecom Association
- Women Impacting Public Policy