

**American Public Power Association  
Government Finance Officers Association  
International Municipal Lawyers Association  
National Association of Local Housing Finance Agencies  
National Association of State Auditors, Comptrollers and Treasurers  
National League of Cities  
U.S. Conference of Mayors**

April 14, 2008

The Honorable Charles Rangel  
Chairman  
Committee on Ways and Means  
United States House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable John Lewis  
Chairman, Subcommittee on Oversight  
Committee on Ways and Means  
United States House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515

Dear Chairman Rangel and Congressman Lewis:

The above listed groups representing state and local governments, wish to thank you for recognizing several provisions in the two bills passed by the Committee last Wednesday, H.R. 5719 and H.R. 5720, that are of importance to state and local governments. In particular, we appreciate the various bond and housing provisions that provide state and local governments with tools to assist their citizens avoid foreclosure and also allows for new bonding and credit enhancement opportunities that will benefit communities and help lower debt service payments.

Additionally, we are pleased that the committee recognized the problems state and local governments will soon face as a result of a provision that requires governments to withhold 3% on most payments for goods and services. Section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 (P.L. 109-222) will pose a number of insurmountable implementation issues for governments in addition to imposing a significant increase in the costs of goods and services should the law become effective. We strongly support efforts to repeal the onerous requirement and appreciate the Committee's attention to this issue.

Furthermore, we commend the Committee for including language that will remove cell phones from the definition of listed property. This important provision will update the IRS's policy on cell phone usage and allow an employer to utilize a de minimis personal use policy, much like policies in place for employer-provided desk phones.

We understand that the Committee must address a number of important issues and we thank you for your consideration of matters of significance to state and local governments.

Sincerely,

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International Municipal Lawyers Association, Chuck Thompson, 202-466-5424 x110  
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