

*3% WITHHOLDING REPEAL DRAFT TEMPLATE FOR NASACT MEMBERS
(Please feel free to modify and personalize)*

Date

The Honorable XXXX
Unites States Senate
Washington, DC 20510

Dear Senator XXXX:

As state *auditor/comptroller/treasurer* of XXXX, I am writing to express my strong for repealing Section 511 of the Tax Increase Prevention and Reconciliation Act (TIPRA) of 2005, which requires governments to withhold 3% on payments made for most goods and services.

If enacted, Section 511 of TIPRA will impose an enormous burden on state and local governments, most of which do not have the systems or capacity to implement this onerous and costly withholding provision. Additionally, it will place governments at a competitive disadvantage as private sector businesses do not have to comply with this requirement.

As a state finance official, I have grave concerns regarding the impact of this poorly vetted provision on the current accounting and procurement systems in my state. Preliminary research indicates that not only will implementation costs be significant and include both administrative and financial commitments, but also that governments will face an increase in the costs of goods and services as vendors will simply pass along the 3% cost when bidding for government business.

I oppose Sec. 511 as an unfunded mandate and disagree with this new policy of shifting the burden of federal tax collection to state and local governments. I strongly urge you to repeal this provision.

Sincerely,

State Auditor/Comptroller/Treasurer