

*3% WITHHOLDING REPEAL DRAFT LETTER 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 support for legislation to repeal Sec. 511 of the Tax Increase Prevention and Reconciliation Act (TIPRA) of 2006 which mandates that governments withhold three percent on payments made for most goods and services, including Medicare payments and certain grants. S. 89 and S. 164 currently pending in the Senate would eliminate this troubling provision.

As a state finance official, I support enhanced transparency and tax compliance; however, I am very concerned about the impact this provision has on the current accounting and procurement systems in my state. Section 511 of TIPRA will impose an enormous burden on state and local governments, many of which do not have the current resources or capacity to implement this onerous and costly withholding provision.

Since the passage of Section 511, numerous legislative and regulatory provisions have been put into place to focus on increased tax compliance. The enclosure to this letter, put together by the Government Withholding Relief Coalition, provides a summary of such provisions.

I encourage you to support repeal of Section 511 and to visit the Government Withholding Relief Coalition's website at www.withholdingrelief.com to see the long list of government associations and businesses that support abolishing this troubling mandate.

Sincerely,

State Auditor/Comptroller/Treasurer