



National Association of State  
Auditors, Comptrollers and Treasurers

# WASHINGTON UPDATE

444 N. Capitol Street NW, Suite 234 ♦ Washington, DC 20001 May 13, 2013

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## Online Sales Tax Bill Moves Out of Senate

The Senate passed the Marketplace Fairness Act (S. 743) 69 to 27 last week, moving a bill that state and local governments have promoted for years as a way to give them the ability to collect sales taxes from online purchases. The bill moved to the House on May 7, where companion legislation (H.R. 684) already exists with 66 co-sponsors across the political spectrum. The House has not scheduled any action around the Marketplace Fairness Act as of yet, although President Obama has indicated that the Administration supports the bill. House bill sponsor Steve Womack (R-AR) announced upon the Senate passage that:

“After 20 years, there is finally light at the end of the tunnel for our brick-and-mortar businesses, and today’s bipartisan Senate vote to pass the Marketplace Fairness Act has given even more momentum to close this tax loophole once and for all... Now, it’s up to the House to act, and I will continue to work with my colleagues to make sure we do so before it’s too late.”

## SEC May Create Hybrid Money Fund Rule

According to a recent Bloomberg media investigation, the U.S. Securities and Exchange Commission may be on the verge of announcing new money-market mutual fund (MMF) rules. The new rules would require the riskiest MMFs to adopt a floating share price, while leaving intact the stable value of \$1 a share for governments. Last year, NASACT signed onto a letter to then-Treasury Secretary Timothy Geithner highlighting the harm that any changes to MMFs could have on the ability to finance basic operations. Specifically, of note for state and local governments is the fact that

MMFs are used as a secure and efficient means to provide short-term funding for critical infrastructure maintenance and ex-

pansion. Additionally, many state and local governments invest in MMFs as part of their cash management practices.

## Committee Leaders Announce Creation of TaxReform.gov

The drum beat for comprehensive tax reform amped up last week as House Ways and Means Chairman Dave Camp (R-MI) and Senate Finance Committee Chairman Max Baucus (D-MT) launched TaxReform.gov, a new website dedicated to obtaining input from the public on tax reform. Developed in partnership with the Joint Committee on Taxation, TaxReform.gov will serve as a platform for individuals and groups to weigh in on tax reform. The site also incorporates Twitter into the submission process via @simplertaxes. The site has three sections:

- Why reform the Tax Code?
- What’s already underway?
- Share your story and ideas.

The site also contains the recently-released Joint Committee on Taxation report to the Ways and Means Working Groups on tax reform proposals.

- This February, the Ways and Means Committee announced the formation of 11 tax reform working groups, whose mission was to review current tax law in their designated areas, research relevant issues, and compile related feedback from stakeholders, academics and think tanks, practitioners, and the general public. The groups’ report provides an overview of the tax code for 2013 and summarizes the suggestions for reform. The document can be found at

<https://www.jct.gov/publications.html?func=startdown&id=4517>.

## The Week Ahead: SEC Oversight, Too Big To Fail, Performance Management, and Government Silo Busting

# WASHINGTON UPDATE (page 2)

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Four hearings that may be of interest to NASACT members are in the queue this week:

- On Wednesday the House Financial Services Committee will hold an oversight hearing on the SEC, with new SEC Commissioner Mary Jo White as a panelist (<http://financial-services.house.gov/calendar/eventsingle.aspx?EventID=333327>).
- Also on Wednesday the House Financial Services Committee will hold a hearing entitled “Who Is Too Big to Fail: Does Title II of the Dodd-Frank Act Enshrine Taxpayer-Funded Bailouts?” (<http://financialservices.house.gov/calendar/eventsingle.aspx?EventID=333122>).
- Also scheduled for Wednesday, the Senate Homeland Security and Governmental Affairs Committee will hold a hearing entitled “Performance Management and Congressional Oversight: 380 Recommendations to Reduce Overlap and Duplication to Make Washington More Efficient,” featuring Comptroller General Gene Dodaro of the U.S. Government Accountability Office and Danny Werfel of the U.S. Office of Management and Budget ([www.hsgac.senate.gov/hearings/performance-management-and-congressional-oversight-380-recommendations-to-reduce-overlap-and-duplication-to-make-washington-more-efficient](http://www.hsgac.senate.gov/hearings/performance-management-and-congressional-oversight-380-recommendations-to-reduce-overlap-and-duplication-to-make-washington-more-efficient)).
- On Thursday, the Senate Budget Committee and the Task Force on Government Performance will discuss “Silo Busting: Effective Strategies for Government Reorganization.” The hearing will also feature Comptroller General Gene Dodaro ([www.budget.senate.gov/democratic/index.cfm/committeehearings?ContentRecord\\_id=7e2aa413-ec67-](http://www.budget.senate.gov/democratic/index.cfm/committeehearings?ContentRecord_id=7e2aa413-ec67-47de-a9c6-1a9a6ff2eed3&ContentType_id=14f995b9-dfa5-407a-9d35-56cc7152a7ed&Group_id=d68d31c2-2e75-49fb-a03a-be915cb4550b)

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