

**National Association of Counties
National League of Cities
U.S. Conference of Mayors
International City/County Management Association
Government Finance Officers Association
National Association of Telecommunications Officers and Advisors**

June 8, 2015

Dear Representative ,

On behalf of local governments across the nation, our organizations write to express our continuing opposition to H.R. 235, the *Permanent Internet Tax Freedom Act*. We urge you to oppose the legislation when it is considered on the House floor.

When the Internet Tax Freedom Act was first enacted in 1998, the Internet access and commerce industries were in their infancy and only beginning to be significantly available to households. The intent of the moratorium was to give the then-nascent Internet industry time to grow and become established. However, even at that time, Congress recognized that the ban should not be permanent.

In addition, estimates of previous versions of this bill provided by the Congressional Budget Office indicate that, if enacted, the *Permanent Internet Tax Freedom Act* would cost state and local governments hundreds of millions of dollars in lost revenues. These are revenues that local governments rely upon to fund essential services in their communities, including well-trained firefighters and police officers; investments to fix aging infrastructure; schools, parks, community centers and libraries to support youth. It is truly alarming to note the large number of co-sponsors from states where our members, state and local government officials and public servants, have resoundingly detailed the crucial nature of these revenues to their cities, counties and states and the impact of the potential loss of these revenues.

Finally, as the telecommunications and cable service industries increasingly transition to broadband, it is important that state and local governments are not preempted from their ability to govern their own tax structures. Over time, the Permanent Internet Tax Freedom Act would arbitrarily exempt this fast growing sector of the economy from taxation, and unfairly shift the burden of supporting essential local services onto other businesses and residents in a community.

For all of these reasons, we urge you to vote against the *Permanent Internet Tax Freedom Act*, H.R. 235.

Sincerely,

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