**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**

July 8, 2014

Dear Representative,

On behalf of local governments across the nation, our organizations write to express our continuing opposition to H.R. 3086, the *Permanent Internet Tax Freedom Act*. We urge you to oppose the legislation when it is considered on the House floor.

The most recent estimates provided by the Congressional Budget Office indicate that, if enacted, H.R. 3086 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; schools, parks, community centers and libraries to support youth; retirement security for dedicated career employees; and continued investments to fix aging infrastructure.

In addition, now that Internet access is ubiquitous and its use generates scores of billions of dollars in revenue annually, it no longer justifies protection from state and local taxation. When the law 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.

Finally, as the telecommunications and cable service industries transition to broadband, the scope of what the ITFA immunizes from state and local taxation is rapidly expanding. Over time, the ITFA would arbitrarily exempt this fast growing, prosperous 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. 3086.

Sincerely,

Matthew D. Chase

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