

INTERNATIONAL CITY/COUNTY MANAGEMENT ASSOCIATION

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July 25, 2017

Dear Chairman Marino and Ranking Member Cicilline:

On behalf of the International City/County Management Association (ICMA) and the 11,000 appointed local government officials we represent, we are writing to express our opposition to H.R. 2887, the "No Regulation Without Representation Act of 2017." This legislation serves as a direct threat to the Constitutional authority of state and local governments under the Tenth Amendment, and exacerbates the problem of outdated remote sales tax policies.

In our federal system, it is important for the federal government to respect the authority of state and local governments so they can deliver the essential services that our citizens expect. Unfortunately, H.R. 2887 directly interferes with state government's authority. The bill's physical presence requirement does not take into account the tremendous advances in technology that have shaped interstate commerce. If enacted, H.R. 2887 would substantially weaken our federal system.

If H.R. 2887 is enacted, state and local governments would continue to lose nearly \$30 billion each year from uncollected sales taxes that individuals owe from remote Internet retailer purchases. State and local governments rely on these taxes to support their infrastructure improvements, economic development, schools, and other essential governmental services. Additionally, Main Street businesses would continue to face a competitive disadvantage as H.R. 2887 does nothing to level the playing field between local and online retailers.

H.R. 2887 undermines the ability of states and local governments to address the needs of their communities. H.R. 2887 also dismisses the years of collaborative efforts between business and government to develop a broadly supported solution to address the collection of sales taxes owed on remote transactions. For all of these reasons, ICMA strongly opposes H.R. 2887 and we urge members of the committee to oppose the legislation as well.

Sincerely,

Marc Ott

Executive Director

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cc: Slade Bond, <u>slade.bond@mail.house.gov</u> Susan Jensen, <u>susan.jensen@mail.house.gove</u>