

December 4, 2015

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Subject: Request for Action and Support - Internet Tax Freedom Act (ITFA)/ and E Fairness – Omnibus Spending Plan

Dear Senator Feinstein:

MuniServices appreciates the efforts outlined in your October 22, 2015 letter to the House Committee on Finance leaders describing a) concerns with efforts that would permanently extend the prohibition on state and local taxation, specifically in S. 431, the proposed Internet Tax Freedom Forever Act, and b) the need to ensure that state and local governments are protected, especially voter-approved taxes on telecommunication networks.

We understand at the time this letter is prepared the omnibus spending bill that must be passed by December 11 to avert a government shutdown includes language that would extend the moratorium on the Internet Tax Freedom Act (ITFA) for another year. Although we have not seen the language we appreciate your support to continue the moratorium as well as consideration of language that creates an exception for a voter-approved excise tax on telecommunications, pursuant to state law. To our knowledge, only three other states have such a voter approval requirement, and none (other than California) have a local excise tax on telecommunications. For background, for over 35 years MuniServices has partnered with many of our Country's municipal governments including over 200 agencies in California as a full-service provider of revenue enhancement services. Approximately 155 public agencies in California have a utility user tax (UUT) ordinance, most of which are voter approved. Our firm works directly with nearly 60 of those UUT public agencies.

MuniServices also understands there could be bi-partisan agreement on an eFairness bill that is a blend of the Senate passed Marketplace Fairness Act (S. 698), and the House version, the Remote Transaction Parity Act (H.R. 2775). MuniServices supported H.R. 2775 and S.698. We also urge your support for equitable eFairness language in an omnibus spending plan that would provide states including California the authority to enforce existing sales and use tax laws, if they choose to do so, by adopting one of the bill's options based on whether the state is member of the Streamlined Sales and Use Tax Agreement.

We thank you for your continued support of California local government, and honoring and protecting the wishes of our local voters pursuant from the preemptive effect of any proposed federal legislation. We also encourage support for eFairness which does not create new taxes or increase existing taxes but is a step to level the platform for disadvantaged local retailers who are competing with remote sellers over the Internet.

Should you have any questions or require additional information please contact me or my colleague Fran Mancina, Vice President, Government Relations at 558.288.7296 or at Fran.Mancia@MuniServices.com.

Respectfully,



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cc: Senator Barbara Boxer
California House of Representatives
US Conference of Mayors
National League of Cities
Government Finance Officers Association
League of California Cities