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July 14, 2014

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

The Honorable Barbara Boxer
United States Senate
112 Hart Senate Office Building
Washington, D.C. 20510

RE: Internet Tax Freedom Act (ITFA)

Dear Senators Feinstein and Boxer:

On behalf of the League of California Cities, I urge you to work with your colleagues to support a short-term extension of the Internet Tax Freedom Act (ITFA), the current version of which is set to expire on November 1, 2014.

As champions of local revenue authority issues in the past, you understand the critical importance of the user utility tax (UUT) for municipal governments. In California, for example, UUTs provide approximately 15% of general purpose revenue which is used to pay for critical services such as police, fire, and emergency response.

Prohibiting further erosion or elimination of California cities' UUT revenue is a top priority for the League. Next week, the House is expected to consider legislation that would make the ITFA permanent, which could cost California cities over \$500 million. It is vital for the Senate to support a targeted short-term extension instead of a permanent reauthorization.

Accordingly, we encourage you to pursue ITFA legislation that includes a clear sunset date. We continue to be most appreciative of your leadership, and we hope that we can count on you to lead the charge against a permanent extension of the internet tax moratorium.

Thank you for your attention to this request. Should you have any questions or require additional information, please feel free to contact the League's Washington advocate, Leslie Pollner (leslie.pollner@hklaw.com) at (202) 469-5149. We look forward to working with you as we seek to preserve this critical funding source.

Sincerely,

A handwritten signature in black ink, appearing to read "Dan Carrigg".

Dan Carrigg
Senior Director, Legislative Affairs