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July 14, 2014

The Honorable John A. Boehner
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C. 20515

RE: Opposition to the Internet Tax Freedom Act (ITFA)

Dear Speaker Boehner and Leader Pelosi:

On behalf of the League of California Cities, I write to oppose H.R. 3086, the Permanent Internet Tax Freedom Act (ITFA) and urge you to instead provide a temporary extension that will preserve existing state and local tax authority.

As you may be aware, cities throughout California rely on revenues generated from voter-approved utility user taxes (UUTs) to fund critical services such as police, fire, and emergency response. In fact, UUTs provide around 15 percent of general purpose revenue to local governments across the state.

However, a permanent extension and expansion of the moratorium on state and local taxation of internet access – as provided for in H.R. 3086 – would jeopardize this vital funding stream. Such a ban would have a lasting, pronounced effect as more and more telecommunications services transition to broadband. Ultimately, estimates show that a permanent ITFA could cost our municipalities over \$500 million dollars. During these tough budgetary times, this is simply unaffordable.

Instead, the League asks that you support a shorter-term bill – one that includes a clear sunset date and grandfathers all relevant existing state and local taxes. Such a measure will give Congress the flexibility to revisit a quickly evolving issue that affects state and local governments all across the nation.

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

cc: The Honorable Eric Cantor
The Honorable Karen Bass
The Honorable Xavier Becerra
The Honorable Ami Bera
The Honorable Julia Brownley
The Honorable Ken Calvert
The Honorable John Campbell
The Honorable Lois Capps
The Honorable Tony Cardenas
The Honorable Judy Chu
The Honorable Paul Cook
The Honorable Jim Costa
The Honorable Susan Davis
The Honorable Jeff Denham
The Honorable Anna Eshoo
The Honorable Sam Farr
The Honorable John Garamendi
The Honorable Janice Hahn
The Honorable Mike Honda
The Honorable Jared Huffman
The Honorable Duncan Hunter
The Honorable Darrell Issa
The Honorable Doug LaMalfa
The Honorable Barbara Lee
The Honorable Zoe Lofgren
The Honorable Alan Lowenthal
The Honorable Doris Matsui
The Honorable Tom McClintock
The Honorable Buck McKeon
The Honorable Gloria Negrete McLeod
The Honorable Jerry McNerney
The Honorable George Miller
The Honorable Gary Miller
The Honorable Grace Napolitano
The Honorable Devin Nunes
The Honorable Nancy Pelosi
The Honorable Scott Peters
The Honorable Dana Rohrabacher
The Honorable Lucille Roybal-Allard
The Honorable Ed Royce
The Honorable Raul Ruiz
The Honorable Linda Sanchez
The Honorable Loretta Sanchez
The Honorable Adam Schiff
The Honorable Brad Sherman
The Honorable Jackie Speier
The Honorable Eric Swalwell
The Honorable Mark Takano
The Honorable Mike Thompson
The Honorable David Valadao
The Honorable Juan Vargas
The Honorable Maxine Waters
The Honorable Henry Waxman