



December 14, 2015

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The Honorable Barbara Boxer  
112 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Boxer:

As the Senate prepares to consider the conference report to the *Trade Facilitation and Trade Enforcement Act of 2015* (HR 644; House Report 114-376), the California State Association of Counties (CSAC) urges you to oppose a provision that would permanently extend the *Internet Tax Freedom Act* (ITFA). The language (Section 922), which was not included in any previous version of the legislation, is non-germane to the underlying bill and should be considered on its own merits. Therefore, CSAC requests that you raise a point of order on Section 922.

As you know, Congress approved ITFA in 1998 to temporarily prohibit state and local governments from imposing any new taxes on Internet access. The access tax moratorium was intended to encourage the early growth of the Internet as a new and emerging technology. However, given the massive advancements in technology, this justification is no longer valid. Approving the ITFA language of HR 644 would distort the federal-state-local relationship and would result in a permanent federal preemption of state and local taxing authority. This issue should instead be periodically revisited to determine whether the need for an access-tax ban still exists.

Accordingly, CSAC would strongly support a shorter-term bill – one that includes a clear sunset date and grandfathers all relevant existing state and local taxes. An extension of ITFA should also be considered in conjunction with legislation – the *Marketplace Fairness Act* – which would allow states to enforce local sales and use tax laws on remote sales.

Thank you for your consideration and support of this request. If you have any questions or need any additional information, please feel free to contact Hasan Sarsour, CSAC Federal Representative, Waterman & Associates, at (202) 898-1444, or Dorothy Holzem, CSAC Legislative Representative, at (916) 650-8133.

Sincerely,

A handwritten signature in blue ink that reads "Matthew Z. Cate".

Matt Cate  
CSAC Executive Director