

ADVISORY

FROM THE COMMITTEE ON WAYS AND MEANS

FOR IMMEDIATE RELEASE

March 12, 2013

No. FC-03

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Camp Announces Hearing on Tax Reform and Tax Provisions Affecting State and Local Governments

Congressman Dave Camp (R-MI), Chairman of the Committee on Ways and Means, today announced that the Committee will hold a hearing on Federal tax provisions that affect State and local governments as part of the Committee's continued work on comprehensive tax reform. This tax reform hearing will examine the array of Federal tax provisions that affect State and local government operations and financing. **The hearing will take place on Tuesday, March 19, 2013, in Room 1100 of the Longworth House Office Building, beginning at 10:00 A.M.**

In view of the limited time available to hear witnesses, oral testimony at this hearing will be from invited witnesses only. However, any individual or organization not scheduled for an oral appearance may submit a written statement for consideration by the Committee and for inclusion in the printed record of the hearing. A list of invited witnesses will follow.

BACKGROUND:

A number of different Federal tax provisions directly affect State and local governments. By far the largest tax expenditure affecting State and local governments is the itemized deduction for State and local taxes. Individual taxpayers who itemize may generally deduct their State and local income and property taxes. For some taxpayers, this deduction is reduced by the recently reinstated "Pease" limitation on itemized deductions and it is disallowed for taxpayers subject to the Alternative Minimum Tax (AMT). In addition, taxpayers may elect to deduct general sales taxes in lieu of income taxes, although this deduction expires at the end of this year, is also subject to the Pease limitation, and is disallowed under the AMT.

State and local governments also benefit from favorable Federal tax treatment of certain types of bonds they issue, including tax-exempt bonds, tax-credit bonds, and "direct-pay" bonds. In addition, numerous other Internal Revenue Code provisions have a significant impact on State and local governments, including pension and retirement provisions and payroll tax provisions, among others.

In announcing this hearing, Chairman Camp said, **"As we continue to work toward comprehensive tax reform that significantly lowers rates and makes the code fairer and simpler so that we can spur a climate for job creation, higher wages and better benefits, we**

must better understand how various aspects of the tax code affect stakeholders. To that end, it is important that the Committee hear directly from those who are familiar with the impact of Federal taxation on State and local governments before considering any proposals as part of comprehensive tax reform.”

FOCUS OF THE HEARING:

The hearing will consider Federal tax provisions that affect State and local governments, and how those provisions should be viewed in the context of comprehensive tax reform.

DETAILS FOR SUBMISSION OF WRITTEN COMMENTS:

Please Note: Any person(s) and/or organization(s) wishing to submit written comments for the hearing record must follow the appropriate link on the hearing page of the Committee website and complete the informational forms. From the Committee homepage, <http://waysandmeans.house.gov>, select “Hearings.” Select the hearing for which you would like to submit, and click on the link entitled, “Click here to provide a submission for the record.” Once you have followed the online instructions, submit all requested information. ATTACH your submission as a Word document, in compliance with the formatting requirements listed below, **by the close of business on Tuesday, April 2, 2013**. Finally, please note that due to the change in House mail policy, the U.S. Capitol Police will refuse sealed-package deliveries to all House Office Buildings. For questions, or if you encounter technical problems, please call (202) 225-3625 or (202) 225-2610.

FORMATTING REQUIREMENTS:

The Committee relies on electronic submissions for printing the official hearing record. As always, submissions will be included in the record according to the discretion of the Committee. The Committee will not alter the content of your submission, but we reserve the right to format it according to our guidelines. Any submission provided to the Committee by a witness, any supplementary materials submitted for the printed record, and any written comments in response to a request for written comments must conform to the guidelines listed below. Any submission or supplementary item not in compliance with these guidelines will not be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All submissions and supplementary materials must be provided in Word format and **MUST NOT** exceed a total of 10 pages, including attachments. Witnesses and submitters are advised that the Committee relies on electronic submissions for printing the official hearing record.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.

3. All submissions must include a list of all clients, persons and/or organizations on whose behalf the witness appears. A supplemental sheet must accompany each submission listing the name, company, address, telephone, and fax numbers of each witness.

The Committee seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-1721 or 202-226-3411 TTD/TTY in advance of the event (four business days notice is requested). Questions with regard to special accommodation needs in general (including availability of Committee materials in alternative formats) may be directed to the Committee as noted above.

Note: All Committee advisories and news releases are available on the World Wide Web at <http://www.waysandmeans.house.gov/>.