



The Industry Voice for Workplace Solutions

U.S. House of Representatives
Committee on the Judiciary
Subcommittee on Commercial and Administrative Law
Tuesday 06/24/2008 - 1:00 PM
2237 Rayburn House Office Building

Hearing on H.R. 5267, the "Business Activity Tax Simplification Act of 2008"

The Business and Institutional Furniture Manufacturers Association (BIFMA) mission is to lead, advocate, inform and develop standards for the North American office and institutional furniture industry. We serve businesses that are primarily engaged in design, development, marketing and fulfillment of office and institutional furniture products.

BIFMA is a not-for-profit organization that serves as a forum for companies to cooperate and collaborate on appropriate industry issues. The issues you are considering today impact us directly. We strongly support H.R. 5267, the Business Activity Tax Simplification Act of 2008 ("BATSA"), and urge that it be reported to the full House for consideration as soon as possible.

This bill would clarify the constitutional requirement for a physical presence nexus standard governing state assessment of corporate income taxes and comparable taxes on a business. Specifically, the bill would articulate a bright-line physical presence nexus standard that includes owning or leasing any real or tangible property, or assigning one or more employees to perform certain activities in the state for more than fifteen days in a taxable year. In addition, the bill would modernize P.L. 86-272 which prohibits states from assessing net income taxes against a business if its only contact with the state involves the solicitation of orders for tangible personal property.

In the office furniture industry, we like to promote ways that people can "work anywhere". Mobility is a reality and unfair schemes to tax and tax again must stop. This legislation would ensure fairness, minimize costly litigation for both state governments and taxpayers and create the kind of legally certain and stable business environment that this economy direly needs. The bill ensures that businesses continue to pay business activity taxes to states that provide them with direct benefits and protections. It makes common sense.

Sincerely,

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