



**For Immediate Release
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COALITION TO PROTECT INTERSTATE COMMERCE

STATEMENT AT THE HOUSE JUDICIARY COMMERCIAL AND ADMINISTRATIVE LAW SUBCOMMITTEE HEARING ON THE “BUSINESS ACTIVITY TAX SIMPLIFICATION ACT OF 2008”

COALITION APPLAUDS SUBCOMMITTEE CHAIRWOMAN LINDA T. SANCHEZ FOR RAISING AWARENESS OF THE IMPACT BAT HAS ON INTERSTATE OPERATIONS

Washington, DC— The Coalition to Protect Interstate Commerce (CPIC) issued the following statement at today's House Judiciary Commercial and Administrative law Subcommittee hearing on H.R. 5267, the Business Activity Tax Simplification Act of 2008.

"We applaud House Subcommittee Chairwoman Linda T. Sanchez for holding today's hearing on the Business Activity Tax Simplification Act of 2008, and helping to raise awareness of the challenges and burdens placed on businesses by aggressive states trying to increase their revenues by exploiting the complexities in our outdated tax code," said CPIC spokeswoman Tara Bradshaw.

"Many states are aggressively trying to subject companies with no physical property or employees to taxes, simply because customers are located in the state. This unfair tax treatment subjects businesses to a complex, unpredictable, and unfriendly environment, where ultimately, these costs get passed on to consumers. Businesses are forced to spend more time, money and energy on accounting and, if they can afford it, litigation. Furthermore, these taxes limit economic growth and sustainability.

"Congress must ensure that our tax system is simple, fair, and pro-growth. They have an obligation to act to curtail state taxation that unduly burdens interstate commerce. We urge swift action on the Business Activity Tax Simplification Act, which would set forth a bright-line standard clarifying that states and localities may collect business activity taxes from out-of-state entities only when they have a physical presence in the taxing state."

The Coalition to Protect Interstate Commerce (CPIC) advocates enactment of a federal law clarifying that state taxation of business income requires a physical presence within the taxing state. This advocacy effort is in response to increasingly aggressive state efforts to expand their tax base by assessing income and franchise taxes against out-of-state companies that have customers, but no property or employees in their jurisdiction.

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