

Don't Kill the Advertising Tax Deduction

From: American Advertising Federation Birmingham, Dothan, Mobile, Montgomery, North Alabama and Tuscaloosa chapters
Sent by: amykirklandriddle@gmail.com
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Don't Kill the Advertising Tax Deduction

Join a Bipartisan Letter to Leadership Opposing New Tax on Advertising

Dear AAF Members,

Advertising is an important source of job creation and economic growth in America. It is a vital source of revenue for all forms of media, supports 20 million U.S. jobs, and helps businesses generate \$5.8 trillion in sales. **In Alabama, advertising helps generate \$67.8 billion of economic activity and produces 214,498 jobs. Every \$1 million spent in advertising supports 58 Alabama jobs.**

And advertising is at great risk.

Senior Congressional and Administration officials have released their Unified Framework for Fixing our Broken Tax Code. The plan would reduce the corporate tax rate to 20%. Many of the specific details are yet to be determined, but in order of offset the loss of revenue because of the significant rate reduction for businesses, "numerous special exclusions and deductions will be repealed or restricted."

The plan as released is silent as to exactly which exclusions and deductions will be targeted. However, Treasury Department officials and senior legislative aides to members of the tax writing committees from both sides of the aisle have confirmed to AAF and other advertising industry representatives that advertising is still very much being considered as a deduction that may be reduced or eliminated.

Advertising has always received the same tax treatment as other everyday business expenses, and the deduction helps advertising support jobs and drive consumer spending. Eliminating this deduction would be equivalent to imposing a brand new tax on advertising. **This would be devastating to an industry that supports 19% of our entire GDP.**

Our goal in tax reform should be strengthening our economy — not undermining growth. We ask you to join us in a bipartisan letter to leadership opposing a new tax on advertising. **The deadline to cosign is C.O.B. on November 3, 2017.** The text of the letter is attached.

To cosign the letter, please contact your local American Advertising Federation chapter.

Sincerely,



Pamela Sanderson
AAF Birmingham



Kristina Turner
AAF Montgomery



Michele Massey
AAF Tuscaloosa



Amy Riddle
AAF Dothan



Adriane Van Kirk
AAF North Alabama

AAF AMERICAN ADVERTISING FEDERATION.

The Honorable Richard Shelby
U. S. Senate
State of Alabama
Washington, D.C. 20510

The Honorable Bradley Byrne
U.S. House of Representatives
First District, Alabama
Washington, D.C. 20515

The Honorable Martha Roby
U.S. House of Representatives
Second District, Alabama
Washington, D.C. 20515

The Honorable Mike Rogers
U.S. House of Representatives
Third District, Alabama
Washington, D.C. 20515

The Honorable Robert Aderholt
U.S. House of Representatives
Fourth District, Alabama
Washington, D.C. 20515

The Honorable Mo Brooks
U.S. House of Representatives
Fifth District, Alabama
Washington, D.C. 20515

The Honorable Gary Palmer
U.S. House of Representatives
Sixth District, Alabama
Washington, D.C. 20515

The Honorable Terri Sewell
U.S. House of Representatives
Seventh District, Alabama
Washington, D.C. 20515

Dear Sir and Madame:

The 115th Congress holds the promise of streamlining the corporate tax code in order to achieve lower rates for America's businesses and eliminate tax loopholes and special preferences. We look forward to working with you on these efforts to bolster job creation, stronger wages, and economic growth, and respectfully ask that you maintain the current tax treatment of advertising as a fully and immediately deductible business expense. The potential for strengthening our economy through tax reform would be jeopardized by any proposal that imposes an advertising tax on our nation's manufacturing, retail, and service industries.

Advertising has been accorded the same treatment as all other regularly occurring business expenses, such as employee wages, rent, utilities and office supplies, throughout the 114-year life of the tax code. **Any measure that would tax advertising — and therefore would make it more expensive — cannot be justified as a matter of tax or economic policy.** Moreover, such a proposal would run counter to a major goal of tax reform agreed upon by virtually all policymakers: to simplify the tax code. For example, promoting a tax on advertising while pursuing full and immediate expensing of buildings and equipment furthers the irregularities and confusion present in our current tax system.

Virtually every business in America relies on advertising to inform potential customers, generate sales, and support workers across our nation. A study by the economic consulting firm IHS Economics and Country Risk found that in 2014, advertising supported 20 million U.S. jobs and \$5.8 trillion in U.S. sales. Significantly, the study showed that every dollar of advertising spending generates \$19 of economic activity, and that advertising contributes to 19 percent of our nation's GDP.

In Alabama, advertising helps generate \$67.8 billion of economic activity and produces 214,498 jobs. Every \$1 million spent in advertising supports 58 Alabama jobs.

We welcome the important challenges of fixing our country's tax code and strengthening America's ability to compete economically around the globe. As this Congress delves deeper into these issues over the coming year, we ask that any changes in our tax system be meaningful, economically sound, and do not threaten the impacts of advertising on jobs and the economy.

Sincerely,



Pamela Sandelson
AAF Birmingham



Kristina Turner
AAF Montgomery



Michele Massey
AAF Tuscaloosa



Amy Riddle
AAF Dothan



Adriane Van Kirk
AAF North Alabama

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