

2015 NLC FEDERAL ACTION PRIORITIES*

Close the Online Sales Tax Loophole

NLC calls on Congress to close the online sales tax loophole and pass e-fairness legislation to place brick-and-mortar community businesses on a level playing field with online retailers and afford consumers more choice through fair competition. Allowing local governments the flexibility to collect the taxes already owed to them on remote online purchases removes an unfair disadvantage for local businesses, while helping cities close budget gaps. Collecting owed sales taxes means more money for basic services, such as roads and police officers, without increasing the overall federal deficit.

Invest in Local Transportation Priorities

NLC urges Congress to authorize a new, long-term federal surface transportation program that recognizes the central role of transportation to metropolitan and regional economies and includes local voices in planning and project selection. With a strong federal partnership, cities can continue transportation and infrastructure investments that ensure everyone in our communities has access to education, training and employment. The program must provide cities a greater role in decision-making for transportation projects to meet community goals and recognize the role of metropolitan economies to the nation's economic wellbeing and competitiveness. The overall transportation system must be made more efficient, including upgrades to older systems and the addition of new modes like light rail and bus rapid transit.

Protect Municipal Bonds

NLC opposes any attempt to eliminate or limit the traditional tax exemption for municipal bonds, whether as a part of a deficit reduction plan, a push for comprehensive tax reform or as an offset for new spending. As the Administration and Congress look for revenue to reduce the deficit and still fund programs, the federal income tax exemption provided to interest paid on state and municipal bonds (debt) is under threat. In addition to increasing taxes, the federal government can raise revenue by expanding what is subject to being taxed (broadening the base); as an alternative to raising taxes, interest paid on bonds issued by local governments currently not taxed could lose their exemption from taxation.

*Source: NLC – <http://www.nlc.org/influence-federal-policy/advocacy/federal-advocacy-priorities>