

LIFO-PRO, Inc

From: LIFO-PRO, Inc
Sent: Tuesday, April 08, 2014 4:58 PM
To: 'lifopro@aol.com'
Subject: LIFO Repeal Update as of April 2014 & Action Request to meet with or contact U.S. Representatives & Senators

Both the U.S. Senate (in late 2013) & House of Representatives (in February 2014) have issued specific tax reform proposals that include LIFO repeal and recapture of LIFO reserves. The LIFO Coalition sent us a message a few days ago requesting that LIFO taxpayers contact (personal visits to their local offices if possible) their U.S. Senate and House representatives to ask them to fight LIFO repeal. Included below is the message we received from the LIFO Coalition with their request.

The actions requested by the LIFO Coalition in 2013 (that we may have forwarded to you) were specifically targeted to only members of the 2 committees that were addressing tax reform, the U.S. House of Rep. Ways and Means Committee & Senate Finance Committee. The meetings and contacts requested now in 2014 apply to all U.S. Senators and U.S. House Representatives.

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URL for LIFO Repeal Update page on our website (the bottom portion of the page includes additional anti-LIFO Repeal information):
<http://lifopro.com/LIFORepeal.html>

The entire text of the message from the LIFO Coalition Executive Secretariat, Jade West to us follows:

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TO: LIFO Coalition Members

FROM: Jade West, Senior Vice President-Government Relations [<mailto:jcw@nawd.org>]
National Association of Wholesaler-Distributors
The LIFO Coalition Executive Secretariat
Sent: Thursday, April 03, 2014 2:31 PM
Subject: The Fight to Save LIFO-Your Help Needed

As you know, we are now confronted in Washington with specific proposals to repeal LIFO; one in a “Staff Discussion Draft” released by former Senate Finance Chairman Max Baucus (D-MT), and the other in a proposal released in late February by House Ways and Means Committee Chairman Dave Camp (R-MI). This is the first time in the 8 years we have been fighting to protect LIFO that repeal has been called for in specific proposals.

The fight to save LIFO is not over – in fact it is really just beginning – but we cannot win it unless you help us take this fight out of D.C. and into the district and state offices of U.S. Representatives and Senators.

As we mentioned in our last update, the justification for repeal provided in the Camp documents is completely incorrect. Specifically, the proposal asserts that:

**LIFO was designed to allow companies to amass large *quantities* of inventory;

****Just-in-time inventory today has made LIFO “outdated” and “less necessary;” and**

****LIFO was intended to be a temporary tax deferral and since businesses expected to pay the recapture tax at some point, repeal simply accelerates the timing of the payment and is therefore not retroactive.**

Based on reports and discussions with House staff, it appears that their assumption that LIFO is now “outdated” and “less necessary” led them to the flawed conclusion that LIFO users would not object to or strongly oppose prospective repeal, and therefore the only real debate is on how to impose a recapture tax. Unfortunately, they have reached this conclusion despite dozens of meetings with Coalition members and multiple Coalition letters, comments to committee working groups and a comprehensive statement submitted for a committee hearing record.

Now we need you to act.

Businesses impacted by repeal need to engage in the fight directly now. We will continue to prevail *if businesses let their own Representatives and Senators know that LIFO repeal would harm the business.* The best way for you to convey that message is by contacting Members of Congress in their home states and districts.

While the Coalition’s Lobbying Team continues to schedule meetings with Members of Congress on Capitol Hill, we need businessmen and women to contact targeted legislators and their staffs at home during the upcoming Spring Congressional recess by requesting meetings with the members and/or their staffs in their State and District offices. We are asking all members of the Coalition to participate in these critically important meetings from April 12th through 27th.

We really need everyone’s participation in this effort.

If you are a company member of the Coalition, please contact the District and State offices of your U.S. Representative and Senators, and request a meeting with them or their staffs during the recess weeks of April 14th – 25th.

If you are an association Coalition member, please send out an appeal to your members and ask them to request meetings as described above. Please feel free to customize this email to send to your member companies.

If you cannot get a meeting with the legislators or their staffs, please send a letter to each one in a District or State office.

You can find out who your U.S. Representative and Senators are and where their local offices are by going to this website:

<http://www.contactingthecongress.org/>

Fill in your address and zip code (many zip codes are in more than one Congressional district, so the zip code alone may not work), click on “submit it” and you will be taken to a page that lists your Representative and both U.S. Senators.

Click on the names of the legislators, and you will be taken to a page that provides their contact information, including the location and contact information for their District and State offices, and a link to a map to those offices.

Business constituent meetings with Members of Congress or their staffs *while they are at home* are the most effective way to persuade those legislators to oppose LIFO repeal.

In your meetings, be sure to explain why LIFO is important to your company, and how repeal would be harmful – both the retroactive recapture tax and prospective repeal.

Please be as specific as you can. For example, let them know if LIFO repeal would force you to:

- **Lay off workers or postpone hiring;
- **Postpone or cancel a planned investment or expansion;
- **Terminate your contributions to employee health care or retirement plans;
- **Reduce your operations or even go out of business;
- **Increase prices to your customers to raise the funds to pay the tax.

We cannot overstate the importance of these in-state meetings later this month. Based on our Hill meetings, it is increasingly clear that LIFO repeal is simply all about money – Congress needs new tax revenues to offset other tax priorities in the current reform proposal. We absolutely **MUST** convince the Members of Congress that LIFO is an appropriate means of evaluating inventory which accomplishes the same purpose as FIFO, that repeal of LIFO would cause great economic harm, and that voting for repeal of LIFO would be a potentially damaging anti-business vote.

Tell your U.S. Representative and Senators that LIFO repeal should not be used to raise revenue – to raise YOUR taxes – to fund other tax or spending priorities.

Please share with us reports on meetings that you are able to schedule and any feedback from those meetings. We would also appreciate your sending us copies of any letters or messages you send to your legislators.

As always, thank you in advance for getting involved in this spring recess campaign.

Please feel free to use the lengthy critique of the Camp proposal that the Coalition sent to Chairman Camp and the Members of the House this week. The letter includes a 3-page Executive Summary that lays out the flawed arguments made by the Camp proposal to justify repeal. You can find that letter here:

<http://www.naw.org/files/LIFO-Coalition-Letter-Camp-Tax-Proposal.pdf>

If you are interested in reading the Committee material including their justification for LIFO repeal, there are links to the legislation and to a section-by-section summary of the proposal (the bill is 979 pages, the summary about 200), and to a 30-page informational brochure on the proposal on this Ways and Means Committee webpage. Go to:

<http://tax.house.gov/>

Many thanks.