

I wanted to let you know that I testified at a Small Business Committee hearing today in support of [legislation](#) I introduced to repeal the 3 percent withholding tax currently scheduled to take effect on January 1, 2013. This tax, also known as Section 511, will require 3 percent of all payments by federal, state, and local government agencies for goods and services to be withheld for income tax purposes. It would severely harm the cash flow for small businesses that do business with the government, while also imposing enormous costs on government agencies at all levels. For these reasons, the House of Representatives has voted twice to repeal the 3 percent withholding tax. My legislation to permanently repeal it has gained significant bipartisan support and currently has 128 cosponsors. It also has the broad support of 130 organizations including the U.S. Chamber of Commerce, the American Farm Bureau, and the National Federation of Independent Businesses. You can view the whole list at <http://www.withholdingrelief.com/members-of-coalition/>



As momentum and support grow, I will continue working to ensure that my legislation is considered and passed by both the House and Senate. You can watch video of my opening statement [here](#) , and video of the question and answer period [here](#) . After the hearing, I spoke at an event to raise awareness about the need for repeal and I delivered the following public remarks:

*"I just participated in a hearing on repeal of the three percent withholding provision and it's painfully clear that small businesses, jobs across America, and our efforts at economic recovery are at risk.□ Small businesses are the lifeblood of our economy. I come from a small business background myself, so I have firsthand knowledge of how our country's entrepreneurs and job creators are burdened by a complex tax code and cumbersome regulations. If this tax provision is permitted to go into effect, it will only add to that burden.*

