June 9, 2015

The Honorable John Boehner  
Speaker of the House  
U.S. House of Representatives  
Washington, DC 20515  

The Honorable Nancy Pelosi  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515  

Dear Mr. Speaker and Madame Leader:

As we begin the 114th Congress, one of our highest priorities should be to streamline the corporate tax code—to eliminate loopholes and special benefits while lowering the overall tax rate. As we investigate different proposals, we should keep in mind the goals of these reforms: to increase opportunity, allow for employers to pay strong wages, and bolster job creation and business growth. We ask you to be mindful that the positive benefits of these reforms could be greatly diminished if Congress repeals certain long-standing provisions of tax law that have demonstrated the ability to create jobs and promote economic expansion.

One reform proposal would modify the tax deduction for the cost of business advertising, arbitrarily imposing a new tax on advertising and effectively making advertising more costly. For more than 100 years, advertising expenditures have received the same tax treatment as any other ordinary and necessary business expense, much the same as employee wages, rent, utilities, and office supplies. In the last Congress, a proposal to single out and tax advertising expenses appeared as a revenue offset in tax reform drafts by the Chairmen of both the House Ways and Means Committee and the Senate Finance Committee.

Changes that will make advertising more expensive cannot be justified as a matter of tax or economic policy. Such changes would be severely detrimental to local advertisers, broadcasters, print media, online service providers, national media companies, news-gathering organizations, and other businesses that rely on advertising as their primary source of income. Imposing this cost on advertising would threaten the ability of these businesses to continue to support jobs and offer the high quality news, information, and entertainment on which our constituents rely.

In 2013, advertising supported 21.7 million U.S. jobs and $5.8 trillion in U.S. sales, according to a study by economic consulting firm IHS Global Insight, Inc. Further, the study showed that the indirect economic impact of advertising spending is significant: every dollar of advertising spending generates $22 of economic activity.
Fixing our country's tax code is a challenge that we welcome. As this Congress delves deeper into these issues over the coming weeks and months, we ask that any changes contemplated are meaningful and based in sound economic principles.

Sincerely,

Eliot L. Engel
Member of Congress

Kevin Yoder
Member of Congress

Gene Green
Member of Congress

Steve Israel
Member of Congress

Carolyn B. Maloney
Member of Congress

Alcee L. Hastings
Member of Congress

Blake Farenthold
Member of Congress

Derek Kilmer
Member of Congress

Suzan K. DelBene
Member of Congress

Tony Cárdenas
Member of Congress
Chris Collins  
Member of Congress

Earl L. "Buddy" Carter  
Member of Congress

Joyce Beatty  
Member of Congress

Scott Perry  
Member of Congress

Blaine Luetkemeyer  
Member of Congress

Brian Higgins  
Member of Congress

Rick W. Allen  
Member of Congress

Ted W. Lieu  
Member of Congress

Richard Hudson  
Member of Congress

Adam B. Schiff  
Member of Congress

H. Morgan Griffith  
Member of Congress

Peter A. DeFazio  
Member of Congress
Greg Walden  
Member of Congress

David Scott  
Member of Congress

Lou Barletta  
Member of Congress

Vicky Hartzler  
Member of Congress

Marsha Blackburn  
Member of Congress

Sanford D. Bishop, Jr.  
Member of Congress

Lamar Smith  
Member of Congress

Joe Wilson  
Member of Congress

Mike Pompeo  
Member of Congress

Rick Crawford  
Member of Congress

Leonard Lance  
Member of Congress

Ted Poe  
Member of Congress
Darrell E. Issa  
Member of Congress

Rodney Davis  
Member of Congress

Patrick Murphy  
Member of Congress

Terri A. Sewell  
Member of Congress

G. K. Butterfield  
Member of Congress

Anna G. Eshoo  
Member of Congress

Bradley Byrne  
Member of Congress

Shelia Jackson Lee  
Member of Congress

Bobby L. Rush  
Member of Congress

Chris Van Hollen  
Member of Congress

Dennis A. Ross  
Member of Congress

Mo Brooks  
Member of Congress
Frederica S. Wilson  
Member of Congress

Elizabeth H. Esty  
Member of Congress

Nita M. Lowey  
Member of Congress

Ryan Zinke  
Member of Congress

Lois Frankel  
Member of Congress

Michael E. Capuano  
Member of Congress

Doug Lamborn  
Member of Congress

Juan Vargas  
Member of Congress

Duncan Hunter  
Member of Congress

Trey Gowdy  
Member of Congress

James P. McGovern  
Member of Congress

Rod Blum  
Member of Congress