



## VERMONT

September 2, 2010

The Honorable Patrick Leahy  
United States Senate  
433 Russell Senate Bldg  
Washington, DC 20510

RE: Protect Availability of Tax Strategy Methods

Dear Senator Leahy:

As you know, the issue of tax strategy patents has been an on-going discussion in Congress for several years, but no legislation seems to be moving to address this important issue. Concern among small businesses in Vermont is consistent; as the potential for tax strategy patents continue to increase. There is support for language to prohibit the use of patenting tax strategies, and I urge you to support amending this provision to a piece of legislation that will see final passage this session.

Small business owners face tax compliance laws that are already too burdensome; the potential for suit because of tax strategy patents only adds to the many day-to-day burdens. Nationally, tax compliance is 67% higher for small businesses than large businesses, and small business owners are spending between 1.7 and 1.8 billion hours and \$18 to \$19 billion complying with the tax code laws already. Providing tax strategy patents to a select few will only force taxpayers to incur additional unforeseen costs as patent holders can decide who can use the strategy, who cannot, or how much a business or individual will have to pay to use it.

This is a matter of both policy and practice. Allowing these strategies to become patents leads to unfair treatment for all taxpayers, and disproves the fairness of the tax system. Small business owners can change suppliers, accountants and financial advisors to lower business expenses; however they cannot change a beneficial tax strategy when it has been patented.

On behalf of the more than 1,500 NFIB/Vermont members we urge you to ban the monopoly on tax planning methods through patenting.

Sincerely,

  
Isabelle Armstrong, Leadership Council Member  
NFIB/Vermont

cc: Members of the Leadership Council

September 3, 2010

The Honorable Patrick Leahy  
United States Senate  
433 Russell Senate Bldg  
Washington, DC 20510

RE: Ban Tax Strategies Patents

Dear Senator Leahy:

In today's economy and increasingly regulated business world, Vermont's businesses do not need additional regulations or the added stress from second guessing tax planning decisions. As Executive Director of the Vermont Vehicle and Automotive Distributors Association and on behalf of my members, I urge you to propose that the tax strategy patent ban provision be amended to a tax bill to ensure passage by Congress this year.

Vermont business leaders work hard to bring their companies to the next level and strive to encourage commerce throughout Vermont. It would be unsound business policy to allow tax strategy patents to become common practice, as such exclusive rights do not conform to state and federal laws as intended by Congress. Holders of tax strategy patents possess a power that prohibits competing businesses from using tax planning methods that will assure their competitiveness in an ever changing business climate.

Today competitiveness can determine the difference between success and failure, and Vermont businesses, already facing harsh taxation in a struggling economy, should not be faced with the burden of determining whether their tax planning strategies infringe on a patented method; nor should they be required to incur additional costs to carry out an action required by the government.

Again, tax strategy patents do not operate in accordance with the state and federal laws as intended by Congress and jeopardize the general interest of taxpayers; residential and businesses alike. Please allow Vermont businesses to continue on the path towards competitiveness without further restriction, and urge your colleagues to address this important issue now.

Sincerely,



Marilyn B. Miller  
Executive Director