



**A JOINT RESOLUTION SUPPORTING THE
REPEAL OF SECTION 511,
TAX INCREASE PREVENTION AND
RECONCILIATION ACT OF 2005
(P.L. 109-222)**

WHEREAS, Section 511 of Public Law 109-222, Tax Increase Prevention and Reconciliation Act of 2005, will require federal, state and local governments to withhold three percent from payments to contractors for goods and services beginning in 2011; and

WHEREAS, this is an unfunded mandate on federal, state and local governments and will cause significant administrative and financial burdens; and

WHEREAS, the unfunded mandate violates the Unfunded Mandates Reform Act; and

WHEREAS, competition will decrease as some vendors may cease doing business with federal, state and local governments; and

WHEREAS, remaining vendors will inflate bids to recover the lost revenue from the impact on cash flow resulting in an increase in the cost of goods and services; and

WHEREAS, costly programming changes will need to be made to financial and accounting systems, purchase new software, register vendors, hire additional staff and keep massive data files and reports; and

WHEREAS, small, women-owned and minority-owned businesses will be particularly impacted due to already constrained cash flows;

NOW THEREFORE, BE IT RESOLVED THAT, any effort to implement Section 511, P.L. 109-222 is strongly opposed by the National Council for Public Procurement and Contracting, which represents seven major national public sector procurement associations; and

BE IT FURTHER RESOLVED THAT, implementing Section 511, P.L. 109-222 is contrary to the Unfunded Mandates Reform Act; and

BE IT FURTHER RESOLVED THAT, the National Council for Public Procurement and Contracting strongly supports passage of legislation, H.R. 1023 and S. 777, to repeal Section 511, Public Law 109-222.

(Adopted July 28, 2008)