



**National Society of
Professional Engineers®**

October 7, 2011

The Honorable Dave Camp
Chairman
House Committee on Ways and Means
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Camp:

On behalf of the National Society of Professional Engineers, I am writing to express our strong support of H.R. 674, which would repeal the requirement that federal, state, and local governments withhold 3% of all payments to engineering firms and other vendors as mandated by the Tax Increase Prevention and Reconciliation Act of 2005 (PL 109-222).

Unless repealed before it takes effect on January 1, 2013, the 3% withholding tax will have a dramatic, negative impact on many of our 45,000 members, who provide professional engineering services as state-licensed professional engineers. The majority of engineering firms are small businesses, many with profit margins of less than 3%, for which the withholding tax will create significant cash flow problems and limit funds that could be used for job creation and business expansion. Moreover, the troubled economy's impact on the building and infrastructure construction market has left many of our members struggling just to maintain their businesses and unable to afford having payments withheld for professional engineering services that already have been rendered.

While NSPE believes that vendors receiving payments from the government should meet their tax obligations, imposing a burdensome withholding tax on every transaction between government and professional engineers designing America's infrastructure is not the answer.

NSPE appreciates your leadership as the Ways and Means Committee considers H.R.674. Thank you for your consideration.

Sincerely,

Christopher M. Stone, P.E., F.NSPE
President

cc:
Congressman Sander Levin
Congressman Wally Herger
Congressman Earl Blumenauer