

**Congress of the United States**  
**Washington, DC 20515**

March 14, 2014

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

Dear Chairman Camp:

We commend your pursuit to achieve comprehensive tax reform as a means to spur economic growth and reduce tax arbitrage. Currently, millions of hardworking Americans negatively view our tax system as an unending, complex maze. Like you, we also believe that tax reform is about transforming our broken system into one that strengthens the economy and makes the code simpler and fairer.

In review of your tax reform proposal, we take this opportunity to convey our deep concerns regarding the proposed excise tax on financial institutions. We believe this targeted, arbitrary tax runs counter to our mutual objective of advancing impartial policy that not only fixes our broken tax system but also prioritizes horizontal equity. Instead, the proposed excise tax on financial institutions threatens our economic vitality by reducing access to credit, curbing economic growth, and worsening our nation's unacceptably-high unemployment rate.

A new tax on lending is fundamentally at odds with our shared beliefs that unlocking capital for U.S. enterprises and families is vital to our economic prosperity. It imperils the vibrancy and competitiveness of our capital markets, and it diverts the flow of capital from investing in our nation's small businesses, homeowners, and families to simply filling the government's coffer. Moreover, although an excise tax on lending is intended to solely impact financial institutions, in actuality, it will raise fees on savings, lending, borrowing, and it will compromise the range of financial services that various U.S. enterprises utilize to achieve their everyday operations.

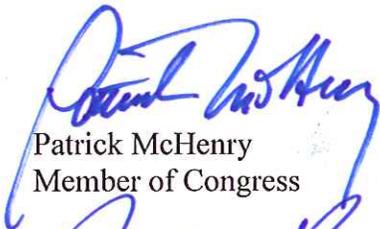
Notably, a surcharge on financial institutions has been considered and rejected by Congress in the recent past due to the potential harm it could inflict on our economy and citizens. On March 4, 2010, Congressional Budget Office Director Doug Elmendorf emphasized, in a letter to Senator Charles Grassley, that an excise tax on financial institutions would "ultimately be borne to varying degrees by an institution's customers, employees, and investors." We believe that what Director Elmendorf expressed then still remains universally true today – that an economically-unsubstantiated excise tax is merely a tax on American consumers.

We also believe that the proposed excise tax must be viewed from a broader, global perspective. Specifically, since the lending tax proposal exempts the assets of foreign-headquartered banks with activities in the United States, we are troubled that foreign institutions would seize market share from U.S. institutions. Equally concerning, this excise tax proposal could cause U.S. institutions to relocate their operations from the United States to nations with a less onerous tax policy.

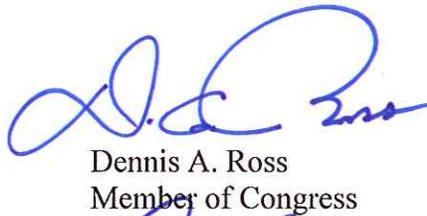
In addition to highlighting the negative consequences that this tax would inflict on consumers, small businesses, and our nation's competitiveness, we would like to assert that instituting a quarterly excise tax, simply based on a firm's size, sets a dangerous precedent to our tax code and economic stability. Specifically, a custom-made, quarterly excise tax that is only attributed to the size of an institution's assets – irrespective the firm's profits, consumers, or products – is unprecedented and accentuates the dangerous philosophy that such firms deserve a unique, privileged designation by the government. We believe that instituting a new excise levy on U.S. enterprises considered as systemically important financial institutions (SIFI) infers that the federal government consents to future federal bailouts.

We applaud your tireless efforts as Chairman of the House Ways and Means Committee to improve our tax code – an issue that directly influences the well-being of our families and economic vitality. However, for the reasons stated above, we urge you to remove this proposed excise tax from the tax reform proposal as a means to retain the spirit and intent of undertaking comprehensive tax reform – fairness, simplicity, and economic competitiveness. We thank you for considering our request and look forward to working with you and the Committee this Congress.

Sincerely,



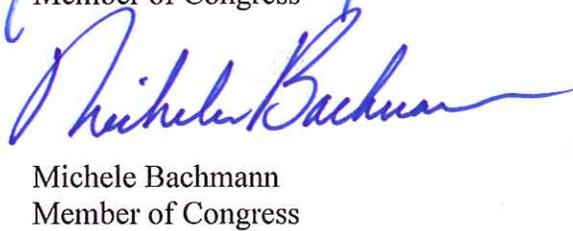
Patrick McHenry  
Member of Congress



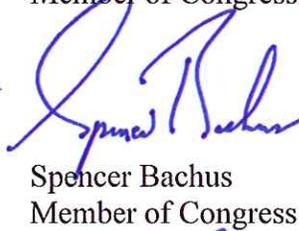
Dennis A. Ross  
Member of Congress



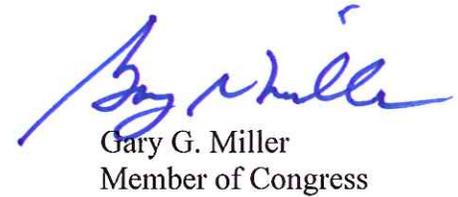
Randy Hultgren  
Member of Congress



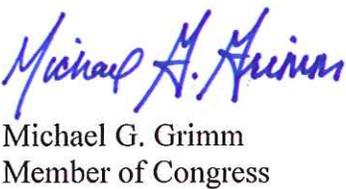
Michele Bachmann  
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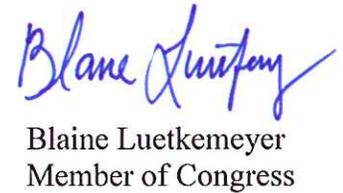
Gary G. Miller  
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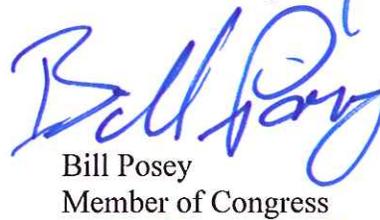
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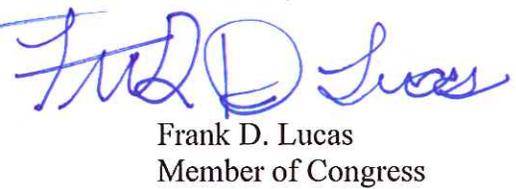
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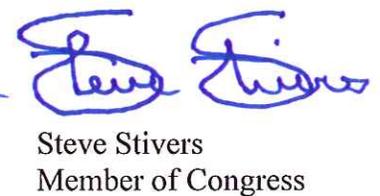
Frank D. Lucas  
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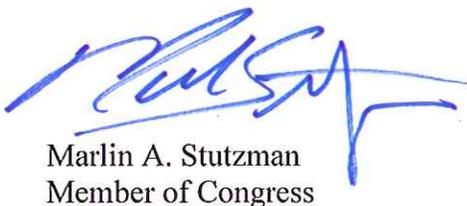
Robert Hurt  
Member of Congress



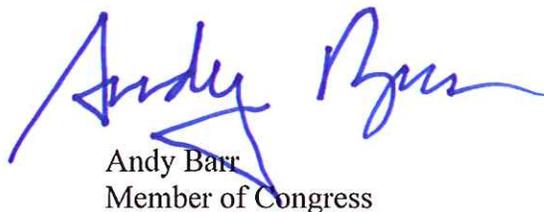
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