

March 9, 2017

Chairman Orrin Hatch
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Chairman Kevin Brady
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth HOB
Washington D.C. 20515

Ranking Member Ron Wyden
Committee on Finance
United States Senate
219 Dirksen Senate Office Building
Washington, DC 20510-6200

Ranking Member Richard Neal
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth HOB
Washington D.C. 20515

Dear Chairmen Brady and Hatch, and Ranking Members Neal and Wyden:

On behalf of our organizations that represent rural communities and businesses across America, we write to request that Congress preserve the current tax treatment of advertising. Currently, advertising expenditures are treated as normal and ordinary business expenses, in the same way that salaries, work-related supplies and vehicle maintenance are considered offsets of annual income. Though we certainly support streamlining today's onerous and complex tax code, the imposition of a new tax on advertising or limiting its current full, first-year deductibility, could damage rural economies and disrupt the distribution of critical local news information.

For example, farmers, ranchers and residents of rural America have depended on free, over-the-air radio for nearly a century to deliver local news, emergency notifications, sports information and agriculture market news. Changes to the tax treatment of advertising would place an undue financial burden on local businesses and their advertising budgets, resulting in less advertising revenue for rural radio stations. This could force radio stations off the air and harm both the productivity and connectivity of rural America.

The partnership between rural radio stations and local businesses represents the vital thread that connects rural America. Main street businesses have come to depend on local radio advertisements as an effective means of reaching consumers within their own communities. For example, agricultural equipment retailers use radio to inform and encourage residents to shop their latest tractor or combine sale. Local grocers use radio to announce the week's latest specials and persuade potential customers to shop at their market. These advertisements are vital to the success of their business and should represent a normal and ordinary business expense. If the advertisement tax were to be instated, it would cripple local businesses and directly impact the ability of rural radio stations to provide high quality content.

Free radio is an essential and popular communications venue in rural America. Livestock market reports are called into local radio stations every day across the country and well-known agriculture broadcasters remain a trusted source for valuable commodity reporting and updates. Local news, weather and sports reporters are recognized as the respected sources for the needed information that affects decisions and influences the lives of millions of rural residents. The ability of local businesses to provide local radio stations with advertisement revenue ensures the success of both parties and stands as a time-tested and critical partnership in our communities.

As Congress continues to consider pro-growth tax reform, we urge you to oppose changes to the deductibility of advertising that would cripple local businesses and directly impact the ability of rural radio stations to provide high quality content.

Sincerely,

American Agri-Women
Association of Agricultural Retailers
American Sheep Industry Association
Intertribal Agriculture Council
National Association of Farm Broadcasting
National Association of Wheat Growers
National Black Growers Council
National Council of Farmers Cooperatives
National Farmers Union
Rural & Agriculture Council of America
United States Cattlemen's Association
Women Involved in Farm Economics