



April 13, 2011

The Honorable Howard Coble
House Judiciary Committee
Subcommittee on Courts, Commercial and Administrative Law
United States House of Representatives
Washington, DC 20515

The Honorable Steve Cohen
House Judiciary Committee
Subcommittee on Courts, Commercial and Administrative Law
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Dear Chairman Coble, Ranking Member Cohen and Members of the Subcommittee:

The American Financial Services Association (AFSA) urges you to support H.R. 1439, the *Business Activity Tax Simplification Act* (BATSA), which would prohibit state taxation of an out-of-state entity unless such entity has a physical presence in the taxing state.

Based in Washington, DC, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. Its 350 members include consumer and commercial finance companies, auto finance/leasing companies, mortgage lenders, credit card issuers, industrial banks and industry suppliers.

Federal legislation in this area is clearly needed. The Supreme Court has declined to rule on the “substantial nexus” standard as applied to business activity taxes. Thus, many state governments have filled the void left by the Court by creating a complex set of different tax rules.

BATSA will provide clear guidelines which will ensure fairness and create a secure business environment that will encourage businesses to invest and to expand interstate commerce. The legislation will also minimize expensive litigation for taxpayers and state governments.

Thank you for your attention in this matter.

Respectfully,

Bill Himpler
Executive Vice President