

December 19, 2011

The Honorable John Boehner
Speaker
United States House of Representatives

The Honorable Harry Reid
Majority Leader
United States Senate

Dear Leaders:

We are writing on behalf of the 40,000 members of the National Association of Wholesaler-Distributors, many thousands of them small and mid-sized businesses, to urge the House and Senate to come to an agreement on a full year extension of the payroll tax rate reduction.

We are aware of the letter sent today to the Chairmen and Ranking Members of the House Ways and Means and Senate Finance Committees by the National Payroll Reporting Consortium, advising the Committee leaders of the “substantial problems, confusion and costs” that the proposed two-month extension of the reduced payroll tax rate would cause. In fact, the NPRC states that many payroll systems would simply not be able to make the programming changes that H.R. 3630 would require.

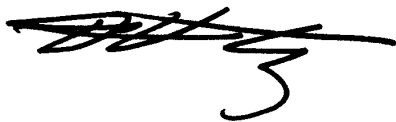
We concur with the conclusion of the NPRC on the logistical difficulties and costs that would result from enactment of H.R. 3630 as written.

Moreover, the type of temporary and changing tax provisions that H.R. 3630 would impose would have an economic as well as a practical impact. A two-month extension of the current reduced payroll tax rate, with the implicit rise in that rate in the first quarter of 2011, would exacerbate and escalate the uncertainty about fiscal policies that has inhibited business activity and slowed economic recovery and job creation for the last several years.

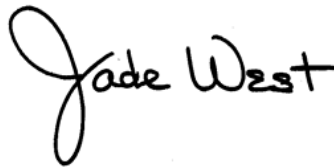
Rather than enacting a two-month policy in the next few days, we urge you to instead follow the traditional and appropriate conference procedures and allow the House and Senate to act on an agreed-to conference report after the first of the year, and to enact policies that will last the full year so that businesses have predictable, certain policies with which to deal.

Thank you for your consideration

Sincerely,



Dirk Van Dongen
President



Jade C. West
Senior Vice President-Government Relations