



Retail's Future... Educate, Innovate, Advocate
June 7, 2004

1700 N. Moore Street, Suite 2250, Arlington, VA 22209
Phone: 703-841-2300 Fax: 703-841-1184
email: info@retail-leaders.org www.retail-leaders.org

The Honorable William Thomas
Chairman, House Ways & Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Thomas:

On behalf of the members of the Retail Industry Leaders Association (RILA), I would like to offer our endorsement of H.R. 4520, the American Jobs Creation Act of 2004.

The Retail Industry Leaders Association (RILA) is an alliance of the world's most successful and innovative retailer and supplier companies. RILA members represent more than \$1 trillion in sales annually and operate more than 100,000 stores, manufacturing facilities and distribution centers nationwide. Its member retailers and suppliers have facilities in all 50 states and employ millions of workers.

H.R. 4520 addresses all of RILA's priority issues and responds to most of the concerns raised in our previous correspondence to you. Specifically:

- **Work Opportunity Tax Credit (WOTC):** RILA strongly supports extension of the Work Opportunity Tax Credit, as our members have successfully used the WOTC to train and employ millions of disadvantaged workers. While we support the two year extension, we urge the committee and House leadership to work with us and our member companies to enact a longer term or even permanent extension, as contained in the Senate-passed bill (S. 1637).
- **Extension of Customs Merchandise Processing Fees:** While both S. 1637 and the H.R. 4520 would extend Customs Merchandise Processing Fees until September 30, 2013, H.R. 4520 provides that the fees will be used to provide the customs services for which they are collected. RILA strongly supports the Ways & Means Committee bill's language relative to Custom's Merchandise Processing Fees.
- **CEO Signature on Tax Returns:** S. 1637 requires the Chief Executive Officer to sign an affidavit attesting to the efficacy of corporate tax returns. While well intended, the CEO signature proposal would force companies to devote substantial time and resources to educating CEOs about the intricacies of the company's tax affairs, distracting them and their company's entire tax department from activities that put their respective professional expertise to their best uses — including, in the case of the CEO, overarching issues of corporate governance and accountability, as well as the company's strategic vision and operations. RILA opposes this provision, which is not contained in H.R. 4520.
- **Fair Labor Standards Act Overtime Requirements:** S, 1637 includes language that would prohibit giving any force or effect to any portion of the Department of Labor's new overtime regulations that would cause any worker currently eligible for overtime to lose that eligibility. The bill also would unnecessarily preserve current overtime status for 55 occupations or job classifications. RILA opposes this language, which is not included in H.R. 4520..

RILA also strongly supports your bill's provision that would codify that employee stock purchase plans and incentive stock options should not be subject to federal employment taxes. Thank you, Chairman Thomas, for introducing a bill that takes into account our industry's priority issues. We look forward to working with you as the legislative process on this bill moves forward.

Sincerely,
Sandra L. Kennedy
Sandra L. Kennedy
President