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GFOA Secures Wins in End-of-Year Federal Legislation.

On December 18 Congress approved a \$1.1 trillion fiscal 2016 omnibus spending package that includes several GFOA priority items – a two-year extension of the Cadillac Tax and a one-year extension of the Internet Tax Freedom Act.

The Cadillac Tax: The omnibus spending bill contains a two-year delay of the implementation of the Cadillac Tax. Thanks in part to an informational campaign conducted by GFOA with a broad coalition of public and private employers, retirement systems, and many other interested groups, repealing the Cadillac tax levied on high-cost employer-sponsored health coverage gained bipartisan and bicameral support throughout the last few months of 2015.

The Cadillac tax, designed originally to begin in 2018, has well over half of the members in both chambers opposing the tax as cosigners on legislation that would fully repeal the tax. On December 3rd, for example, an amendment to repeal the tax easily passed the Senate in a 90-10 vote earlier this month. This vote was merely symbolic, though, as the measure was tacked to the reconciliation bill which the White House vetoed.

While the White House does not support a two-year delay, the President has indicated he will not veto the omnibus legislation based on the postponement.

The Internet Tax Freedom Act: The fiscal 2016 omnibus spending bill extends the Internet Tax Freedom Act for just one year. This one-year extension is welcome in contrast to the alternative – a permanent extension of the ITFA, [which GFOA strongly opposes](#).

Congressional champions of a permanent ITFA extension actually snuck the language of their bill (HR 235/S 431) into an unrelated measure (HR 644), which the House approved on December 11. However Senate leadership soon realized that they lacked the votes to pass the a measure with permanent ITFA language included in it, thanks to a swift and direct information campaign from the GFOA, our state and local government association partners, and a coalition of Senators who support our position on ITFA. Our successful advocacy efforts stalled Senate consideration of HR 644 until February 2016. Ahead of the vote GFOA is asking our members to send letters to their Senators urging them to oppose HR 235/S 431 – the Internet Tax Freedom Forever Act and strip the language of this measure from the conference report on HR 644. A draft letter is available for your use [here](#).