



1/25/2019

Dear Lawmaker:

On behalf of thousands of Americans for Prosperity-West Virginia activists, I urge you to support HJR 17, Business Inventory, Machinery and Equipment Tax Exemption Amendment, when it is voted on the House Floor. **This vote may be recorded in our 2019 session legislative scorecard.**

HJR 17, sponsored by Chairman Eric Householder, takes a step toward providing a future legislature with the ability to have statutory access to property taxes which, we hope, will be included in a comprehensive overhaul of the Mountain State's broken tax code.

- As the president's Tax Cuts and Jobs Act has proven, putting money back in the pockets of hard-working West Virginians grows the economy by creating opportunities for individuals and families.
- Creating a better and more competitive tax structure for businesses and their employees will bring more jobs to the Mountain State—and having statutory access to property taxes will allow lawmakers to take a more holistic approach to substantive tax reform in the future.
- According to the [Tax Foundation](#):

Inventory taxes are highly distortionary because they force companies to make decisions about production that are not entirely based on economic principles but rather on how to pay the least amount of tax on goods produced. They violate widely held principles of sound tax policy: they are not transparent, for instance, and they are highly nonneutral, falling much more heavily on select industries like manufacturers. Inventory taxes can create strong incentives for companies to locate inventory in states where they can avoid these harmful taxes. They also impose high compliance costs for businesses, which are required to track and value their inventory for reporting and tax remittance purposes. West Virginia is one of only ten states which still taxes most inventory. (Tax Foundation, [West Virginia Constitutional Amendment Would Roll Back Property Taxes on Machinery and Equipment](#), 1/31/2018)

For these reasons, I ask you to vote yes in support of HJR 17.

Sincerely,

Jason Huffman
West Virginia State Director
Americans for Prosperity