

Resolution in Support of the Food & Business Tax Fairness Campaign

Tennessee's food tax is the third highest in the nation. At an average rate of 7.85%, this tax restricts the ability of hard-working families to put healthy meals on the table. Money that otherwise would go for clothing, healthcare or education goes to pay the food tax. This unfair tax hinders the efforts of low and middle-income Tennesseans to improve their circumstances.

There are inexcusable loopholes in Tennessee's corporate tax law that allow multi-state businesses to shelter their income in sham subsidiaries located in states that have no corporate income tax. Tennessee loses between \$115 and \$250 million in revenue through these loopholes every year. These multi-state businesses enjoy a tremendous advantage, sanctioned by Tennessee law, over their local Tennessee competitors.

To correct these inequities, Tennesseans for Fair Taxation is proposing the Food & Business Tax Fairness Act of 2008. The Act will close these corporate tax loopholes and use the additional revenue to cut the food tax in a fiscally responsible manner. Twenty-one (21) states have already closed these loopholes, and their laws to close loopholes have been upheld by two Supreme Court decisions.

_____ declares its support for the Food & Business Tax Fairness Act of 2008 and its underlying principles:

- ★ Create a level playing field between small and large businesses by closing corporate tax loopholes that allow multi-state corporations to avoid paying Tennessee business taxes that most small and medium-sized businesses in Tennessee must pay.
- ★ Use the revenue from closing these loopholes to reduce the state food tax.

Furthermore, as an endorsing organization or business, we give permission to Tennesseans for Fair Taxation to list our name, along with other endorsing organizations, on press releases, legislative handouts, fact sheets, web sites and other material related to this plan.

_____ Date _____
Signature of authorized representative

For more information, go to <http://www.fairtaxation.org/taxfairness/index.php>

Please sign up online at the above site, fax completed resolution to 866-597-4805 or mail to Tennesseans for Fair Taxation, 116 Hotel Avenue, Knoxville, TN 37918.