

Washington, DC (October 27, 2011) – Today, U.S. Rep. Gus Bilirakis (FL-09) voted for a bipartisan measure to repeal a proposed 3 percent withholding tax on all payments made to businesses working with federal, state and local governments.

"Repealing this needless tax will give small businesses, which generally operate on small profit margins, much needed certainty as they attempt to grow in the current economy," Bilirakis said. "An extra tax on businesses will only lead to higher prices, lower wages, and lost jobs in the Tampa Bay area."

The tax – enacted in 2006 – was to take effect on Jan. 1, 2011, but was delayed until Jan. 1, 2013 because of concerns that it would create a significant burden on the fragile economy. This bipartisan legislation would permanently repeal the rule. It passed the House with a 405-16 vote.

"Much like the '1099 rule' that Congress repealed earlier this year, this tax would impose burdensome fees on already cash-strapped employers, further crippling their ability to plan, expand and hire," Bilirakis added.