



April 4, 2014

Senator Orin Hatch
Ranking Member, Senate Finance Committee
FAX: (202) 224-6331

Re: Brown-Rockefeller Amendment #4

Dear Ranking Member Hatch:

On behalf of the Marketing Research Association (MRA), a non-profit national membership association, represents the survey, opinion and marketing research profession¹, I am writing to express our strong opposition to the Brown-Rockefeller Amendment #4, the Fair Playing Field Act, expected to be offered tomorrow to the "Expiring Provisions Improvement Reform and Efficiency (EXPIRE) Act." The amendment would effectively repeal Section 530 of the Revenue Act of 1978 ("Section 530"), the safe harbor provision which protects the tax status of independent contractor relationships.

Independent contractors play an important role in survey, opinion and marketing research: any research respondent receiving an incentive to participate in a study is an independent contractor.

Section 530 provides both parties to an independent contractor relationship with absolute certainty that such status will be respected by the Internal Revenue Service (IRS). As long as the income paid an individual is reported on Forms 1099-MISC, the federal government shouldn't care whether an individual performs services as an employee or independent contractor. The FICA/SECA tax treatment of each is now substantially the same and their respective tax-compliance rates are more or less the same. And a certain and predictable regulatory environment for independent contractors inures to the benefit of independent contractors, the research companies that need their participation and the whole nation's economy (which depends on that research).

Some Senators may be advocating that this amendment would be a budget offset for the EXPIRE Act. However, repealing Section 530 would likely lead instead to an increase in black market (unreported and untaxed) income and a significant decrease in reportable, taxable income. Thus, the Brown-Rockefeller amendment would likely add to the budget cost of this legislation rather than decrease it.

We strongly urge you and your colleagues to oppose the Brown-Rockefeller amendment, or any similar attempt to undermine independent contractor relationships. Section 530 is essential to the proper functioning of the research process and we request your assistance in maintaining it.

Sincerely,

A handwritten signature in black ink, appearing to read 'Howard Fienberg', is written over a light blue horizontal line.

Howard Fienberg, Director of Government Affairs, Marketing Research Association

¹ The research profession is a multi-billion dollar worldwide industry, comprised of pollsters and government, public opinion, academic and goods and services researchers, whose members range from large multinational corporations and small businesses to academic institutes, non-profit organizations and government agencies.