

**NTU**  
NATIONAL TAXPAYERS UNION

**NTUF**  
NATIONAL TAXPAYERS UNION FOUNDATION



**2022 YEAR IN REVIEW**

# President's Letter



Dear Friend,

These days, it can be all too easy for taxpayers to fall into despair. The IRS has been provided an unbelievable amount of new resources, federal deficit spending and debts are out of control, toxic regulatory and economic policies are wreaking havoc on Americans' well-being, and the Left is firmly in control of the White House and one house of Congress.

But there are a number of good reasons for optimism. I would point out that the most ambitious tax-and-spend proposals on the Democratic agenda have been scaled back or stalled, that pockets of bipartisan cooperation are emerging on some fiscal issues, that the tax policy community is uniting around IRS accountability measures, that government overreach is meeting principled resistance in courts. Outside of Washington (there is life “outside the Beltway”!), many states are living up to the appellation of “laboratories of democracy” on tax issues.

Your support helped us to stop some of the worst policy ideas – such as defeating the IRS’ desire to monitor the daily transactions of virtually every American’s bank account.

NTU launched the Competitiveness Coalition, a first-of-its-kind initiative to maintain America's global competitiveness and leadership. Former U.S. Senator and Ambassador Scott Brown chairs the Coalition, which has received significant attention from Capitol Hill and the media. We have grown the Coalition to include 19 prestigious organizations and individuals who believe that free market principles are critical to the well-being of our country. The Coalition has assisted in thwarting overzealous attempts to stifle our most successful companies through antitrust policies and excessive regulation.

The response on Capitol Hill was overwhelmingly positive. We received over a dozen citations from a variety of bipartisan Members of Congress, including press releases, tweets, and an article in the New Hampshire newspaper, the Nashua Telegraph. Our report was even mentioned on the House floor by Carolyn Maloney (D-NY), then-Chairwoman of the House Committee on Oversight and Reform, who stated, "Only a few bills receive this kind of recognition."

However, we covered far more than just federal tax issues this year.

- Impressively, Leah Vukmir and Jess Ward continue to demonstrate an unrivaled ability to gain unparalleled access to state legislators across the country, including Missouri, which enacted an income tax cut, saving taxpayers \$760 million.
- The National Taxpayers Union Foundation (NTUF) has provided strong policy and public outreach for advocates of state tax cuts, including a \$500 million cut in Mississippi, a forthcoming cut in West Virginia, and a long-overdue \$600 million cut in Pennsylvania's highest-in-the-nation business tax.
- NTUF’s Taxpayer Defense Center filed multiple amicus briefs in key taxpayer cases across the country. Our briefs have led to media coverage in outlets such as Law360, speaking engagements such as with the American Bar Association, and in one case, a judge asking parties to an ARPA case to file further information based on our brief.



- NTUF's Taxpayers' Budget Office has maintained relationships with the Congressional Budget Office in order to assist them in refining the analyses they provide to lawmakers.

Aside from our writing, our "peer-to-peer" strategy of engaging public officials and communications outreach has paid off handsomely for taxpayers.

In 2022, NTU/NTUF published over 80 op-eds, met with over 300 federal and state legislators on key tax and budget issues, and received favorable citations from over 42 Members of Congress from all political parties. More than 250 times, NTU and NTUF experts were quoted or cited in mainstream news outlets.

This included the New York Times, the Washington Post, and USA Today to prominent local outlets like the New York Post and the Dallas Morning News to technical tax and law journals like Law360 and Tax Notes.

In the pages that follow, you'll get a closer look at the work and successes you helped to make possible. Despite the fact that 2022 was a difficult year for taxpayers, NTU and NTUF made the most of it. That is because the team I have the privilege of leading has the hard-won experience of making plans and taking actions that position us to be effective no matter what happens. We owe that energy to you!

With sincere appreciation,

A handwritten signature in black ink, appearing to be a stylized name with a large initial.

## Amplifying Taxpayers' Voices in the Capital

2022 was an excellent year for the National Taxpayers Union and National Taxpayers Union Foundation, as we continued to build strong relationships on both sides of the aisle in Congress and expand our reach in DC and beyond. The transition to a post-pandemic climate has been a welcome change, as the Capitol reopens to the public, we are able to engage in more face-to-face meetings and hold policy briefings for staff once again.

The past year brought some significant changes to the staff of NTU and NTUF that help us more adeptly address the shifting policies in Washington. In October of 2022, Nick Johns joined NTU to work on telecommunications, healthcare and antitrust policy. More recently, we added Ryan Nabil to the NTUF team to bolster our work on technology policy. Both have been stellar additions to the team tackling key policy issues.

Over the course of the year NTU received considerable praise from Capitol Hill. NTU was mentioned or quoted in dozens of press releases from members of Congress on both sides of the aisle. Press releases from 25 individual Representatives and 23 Senators cited NTU or our staff by name and more than five committees referenced NTU, demonstrating NTU's wide advocacy reach across the ideological spectrum

A leading Member of Congress on federal budget issues said "I need [NTU] to be a part of our kitchen cabinet". A congressional staffer leading on IRS matters stated "We are obviously going to have plenty of work cut out for us going forward with no shortage of issues to oversee. I will not only value [NTU's] input on this issue but also in the future..." Staff for Members of Congress repeatedly give us positive feedback on our input and reference our data and writings in briefing the Members for whom they work.

We saw especially positive responses to our annual list of "No Brainer" bills, legislation that has bipartisan support and ought to move quickly through Congress to the president's desk. We received more than a dozen citations from a host of bipartisan Members of Congress including press releases, tweets, and an article in the Nashua Telegraph in New Hampshire. Our report even earned a mention of the floor of the House from the Chairwoman of the House Committee on Oversight and Reform, Carolyn Maloney (D-NY) who stated, "Only a few bills receive this kind of recognition."



*NTU President Pete Sepp presented retiring Member of Congress Kevin Brady with the Happy Warrior for Taxpayer Freedom Award for his work on the Tax Cuts and Jobs Act.*



*NTU Executive Vice President Brandon Arnold presented retiring Member of Congress Pat Toomey with the Happy Warrior for Taxpayer Freedom Award for his leadership on free trade issues.*

## Advocating for Open Trade

NTU's Free Trade Initiative worked on many of the issues that made headlines in 2022. Many industries continued to face serious delays and complications caused by supply chain interruptions that began in 2020.

FTI's work became extremely important when mothers faced a critical shortage of baby formula in the spring – a problem largely caused by misguided policies that blocked access to high-quality, safe imports of infant formula from our allies in western Europe and elsewhere. This opened the door to help thoughtful Members of Congress, like Mike Lee (R-UT), craft bipartisan legislation to suspend trade restrictions on baby formula to help ease this crisis.

Other hot button issues, like the push towards industrial policy in the form of hundreds of billions in government funding for semiconductor production, criticism of the use of costly project labor agreements in infrastructure projects, and the continued harmful impact of the Jones Act on logistics have garnered attention and praise from our allies on Capitol Hill.

### Assisting State Legislators in Crafting Sound Policies

Our state affairs team grew in 2022 with the addition of Mattias Gugel who previously worked extensively in the Wisconsin State Senate in policy and communications. The expanded team had yet another successful and productive year. Without limitations on travel and face-to-face meetings with lawmakers, we were full steam ahead and able to make significant strides in relationship building and influencing fiscal and regulatory policy. Along with Mattias, Leah Vukmir and Jess Ward have continued to work with legislators across the country to implement pro-taxpayer policies at the state level. Indeed, they carried NTU's pro-taxpayer message to 45 states on a variety of policy issues including pharmaceuticals, technology, and taxes.

In Missouri, our state affairs team played an integral role in encouraging legislative members to support the largest tax cut in their state's history. The income tax reduction saves taxpayers an estimated \$760 million. Utilizing their vast legislative contacts, in conjunction with coalition partnerships, Leah and Jess were able to successfully advocate for an aggressive approach to reshaping Missouri's tax policy.

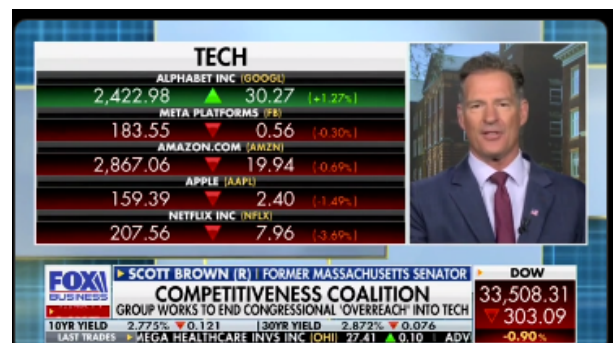
The state affairs team has already been contacted by like minded coalitions and legislators in Iowa who wish to phase out the income tax in addition to reducing the property tax during the upcoming 2023 legislative session.

### Competitiveness Coalition

Early in 2022, NTU helped launch the Competitiveness Coalition, a first-of-its-kind endeavor to preserve America's global competitiveness and leadership. The Coalition is chaired by former U.S. Senator and Ambassador Scott Brown, who has helped garner considerable attention from Capitol Hill and the media. The 19 members of the Coalition include prestigious organizations and individuals committed to the idea that free market principles are inherent to the nation's well-being.



The Competitiveness Coalition Sponsored Politico Morning Tech.



Competitiveness Coalition Chairman Scott Brown on Cavuto Coast to Coast.

Politicians on both sides of the aisle have turned away from the notions of the free market and the competitiveness that drives it in favor of winning political points. Some of the country's most successful companies are facing overzealous attacks from the Federal Trade Commission (FTC) and Members of Congress over undue claims of trust busting and every week it seems legislators are crafting new regulations to hamstring businesses.

The Coalition has been mentioned more than 60 times in print and online articles, landed seven op-eds, and had Brown appear on more than 20 TV and radio shows. We anticipate this fight will continue in Congress, at the FTC, and in many state capitals in the years ahead and we are poised to continue to lead the charge on behalf of economic liberty.

## Taxpayer Defense Center

NTUF's Joe Bishop-Henchman and Tyler Martinez protect taxpayers from overzealous, unfair tax administration through strategic public interest litigation against tax collectors to change the law for the better for all taxpayers. Through our own efforts researching, providing amicus briefs, building coalitions and media outreach we make permanent pro-taxpayer changes to the law. Our goals are taxpayers freed from IRS and state tax administrative abuses, states unable to impose excessive or discriminatory taxes on interstate commerce, and an end to retroactive tax increases.

TDC represents Brad & Hilary Scott of Halstead Bead, a small family-owned craft supply wholesaler based in Arizona, in *Halstead Bead v. Richard*. Halstead Bead sells to customers in states across the country but avoids Louisiana because of the burden of the state's antiquated and byzantine sales tax structure. Our lawsuit aims to end Louisiana's sales tax nightmare for small businesses. The district judge ruled against us, not on the merits, but on jurisdiction, and we appealed that ruling to the Fifth Circuit. Five organizations submitted amicus briefs supporting our appeal and, in mid-2023, oral arguments will be held in the circuit court.



NTUF's Joe Bishop Henchman Presented on our Halstead Bead case before the American Bar Association's State & Local Tax Section .



NTUF's Joe Bishop-Henchman and Tyler Martinez were joined by The Pelican Institutes's Sarah Harbison to represent Brad & Hillary Scott of Halstead Bead.

In several cases across the country, TDC has filed amicus briefs that were cited heavily by judges in their decisions and by the media. Many of our amicus briefs have been in partnership with key state-based allies such as the Pacific Legal Foundation and Mackinac Center. These briefs helped deliver consecutive 9-to-0 losses to the IRS in the U.S. Supreme Court on taxpayer due process issues, explain in more depth secondary arguments that sometimes win the day, and elevate an entire series of cases for appellate attention as with a series of ARPA state tax cut challenges. Against California, we filed a brief against the state's expansive regulation of agriculture outside its borders. Our unique argument in a brief in the *National Pork Producers Council et al v Ross* triggered much interest in tax and legal circles including a panel at the American Bar Association's annual meeting and interviews with Law360. We expect the Supreme Court to issue a ruling in 2023.

## Taxpayers' Budget Office

The Taxpayers' Budget Office (TBO), led by Demian Brady, works for federal budget sanity, championing rules and spending reforms that will avoid a future of debt, higher taxes, and slowed economic growth. The desire to borrow-and-spend and tax-others-and-spend is a difficult siren song for senators and representatives to resist, as attested to by America's ballooning national debt and current tax debates.



While looking at spending, TBO also observes and provides input on changes to the IRS and its processes. Through an issue brief, an op-ed, and outreach to Congress, NTUF has taken the lead to fix the drastically lowered reporting threshold for 1099-K forms starting in January 2023, that stands to catch millions of unsuspecting taxpayers off-guard. NTUF pushed back on incomplete news reporting about boosting the IRS workforce by 87,000 with \$80 billion in new funding in the Inflation Reduction Act (IRA) and provided feedback on draft legislation for IRS reform oversight from Senators Thune and Grassley. This input helped clarify language regarding IRS enforcement activities and oversight actions.

### NTU and NTUF in the Media

NTU and NTUF experts were interviewed or cited in a variety of news platforms more than 250 times. From the highest-level national outlets like the New York Times, the Washington Post and USA Today to prominent local outlets like the New York Post and the Dallas Morning News to technical tax and law journals like Law360 and Tax Notes, NTU and NTUF's presence was as strong as ever in the media. Over the course of 2022, NTU and NTUF placed more than 80 op-eds in national outlets like the Wall Street Journal, The Hill and Bloomberg as well as influential political publications like National Review, Reason, and the Washington Examiner.



*NTU Executive Vice President Brandon Arnold on Fox News Live on July 4, 2022.*

*NTU President Pete Sepp on The National Desk on August 16, 2022.*

We also were seen in a variety of broadcast news outlets. NTU Executive Vice President Brandon Arnold alone did more than 80 times across radio, video, and television. Other members of the NTU and NTUF teams, including Pete Sepp, Joe Bishop-Henchman, Andrew Lautz, Demian Brady and more have appeared on Fox stations, national affiliates, and radio at the national and state level across the country.

# Media Highlights

## THE WALL STREET JOURNAL.

“The IRS and the Eighth Amendment”  
Op-ed by Tyler Martinez & Travis Nix



“Student Loan Forgiveness”  
TV Interview with Andrew Lautz



“Bracing for Recession”  
Radio Interview with Brandon Arnold

## Bloomberg Tax

“Growing Problem of ‘Wayfair Creep’ Threatens Compliance Burdens”  
Op-ed by Andrew Wilford



“The IRS Needs to Be Reformed, Not Showered with More Cash”  
Op-ed by Joe Bishop-Henchman



“Inflation”  
TV Interview with Pete Sepp



“80% of new IRS revenue will come from small businesses earning under \$200K: tax experts”  
Joe Bishop-Henchman, Quoted

## The Dallas Morning News

“Taxes won’t immediately rise from Biden student loan plan as GOP says, experts explain”  
NTUF Mentioned



“Congress wants to take away your credit card points”  
Op-ed by Alex Milliken



“Challenge to Louisiana’s sales tax system heads to Fifth Circuit”  
Joe Bishop-Henchman, Quoted



“High gas prices are a bad problem; suspending the gas tax is a bad solution”  
Op-ed by Thomas Aiello



“Americans Struggle with Sky-High Gas Prices”  
TV Interview with Brandon Arnold



“National Taxpayers Union voices concerns over proposed anti-trust legislation”  
TV Interview with Pete Sepp



# Highlights from The Hill

## Congressional Press Releases Favorably Citing NTU and NTUF in 2022



“Arrington Introduces Bicameral Legislation to Repeal Biden’s “Made-in-America” Tax”



“Reality Check: What Biden’s Reckless Taxing And Spending Spree Will And Won’t Do”



“Dr. Rand Paul Introduces Six Penny Plan to Balance the Federal Budget in Five Years”



“Health Markup Wrap up: Solutions for Mental Health, Lowering Drug Costs, and Medical Innovation Advance in Subcommittee”



“U.S. Senators Ossoff & Kelly Introduce Bill Based On Spanberger’s TRUST in Congress Act, Momentum Grows for Congresswoman’s Effort to Prevent Insider Trading by Members of Congress”



“Amid Record Inflation, Young Joins Colleagues to Propose Middle Class Savings Protections”



“Senator Hassan’s Cut Red Tape for Online Sales Act Named to 2022 ‘No Brainer’ List of Bills Congress Should Pass”



“Thune, Collins Introduce Bill to Hold the IRS Accountable, Protect Taxpayers”



“National Taxpayers Union Names Two Steel Bills to their ‘No Brainers’ List for 2022”



“Biden’s Radical Nominee David Weil: What They’re Saying”



“Senator Lee Introduces 1031 Exchange Improvement Act”



“One-Pager: Democrats’ Inflation and Recession Act’ Makes Biden’s Cruel Economy Even Worse”



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