Oppose Advertising Restrictions That Could Hurt Local Communities

- A proposal is under discussion within the House Ways and Means Committee's consideration of tax reform that could limit the ability of companies to deduct the cost of their advertising as an ordinary and necessary business expense in the year the expense occurs. This could impose billions of dollars in higher taxes on businesses that advertise.

- One idea being discussed is a multi-year amortization of advertising costs. Today, advertising expenses are fully deductible in the year they are incurred.

- A change like this in the tax code would make advertising more expensive and hamper the ability of local businesses to promote their services and grow. This, in turn, hurts local television and radio stations that depend on advertising revenues to deliver important local news and services to their communities.

- Legislation that makes advertising more expensive would also be detrimental to the recovery of the U.S. economy. A 2012 study showed that advertising supports nearly $4.1 trillion in sales and 15.4 million jobs in America. The study also revealed that every dollar of ad spending generates $16 of economic output.

- Approximately 94 percent of broadcast television and 96 percent of broadcast radio revenues are directly attributable to advertising. This revenue enables stations to deliver vital news, emergency information and high-quality entertainment to their local communities free of charge.

- Advertising on local radio and television stations is also a stimulant to the U.S. economy. These stations generate more than $986 billion in economic activity and support 1.38 million jobs nationwide.

- Broadcasters ask that Congress not change the ability of businesses to deduct advertising costs in the year incurred, as it would harm the ability of local stations to provide the news, emergency information and weather on which Americans rely.

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