



GUIDANCE

ASSISTANCE

SUPPORT

## Member Guide to *Advocacy*



TAX EXECUTIVES INSTITUTE, INC.

## WHAT IS ADVOCACY?

TEI is dedicated to improving the tax systems administered in jurisdictions where TEI chapters are located. Advocacy is simply the means through which TEI advances its objectives by communicating concerns to government decision-makers and recommending changes and improvements to the tax rules. TEI advocates on matters affecting business taxpayers as a whole and generally avoids narrow issues that could divide the organization. Particular areas of emphasis are minimizing compliance burdens, improving audit processes and other aspects of tax administration, and promoting sound tax policy.

Examples of recent TEI advocacy efforts include:

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- Written comments on proposed regulations
- Written comments on administrative rulings and procedures
- Written comments to the OECD on BEPS action items and related oral testimony at OECD hearings
- Amicus briefs filed with the United States Supreme Court
- Meetings with tax officials at the IRS, U.S. Treasury, and state and local departments of revenue
- Meetings with tax officials at the Canada Revenue Agency and Department of Finance
- Written policy statements covering issues that arise in multiple taxing jurisdictions (e.g., TEI's policy statement encouraging states to establish pre-payment, independent tax tribunals)
- Participation in joint government-business efforts and projects with other organizations
- Written and oral testimony on legislative proposals in the United States, Canada, and various European Union Member States

## WHY IS TEI ADVOCACY UNIQUE?

Over the years, TEI advocacy has had a positive effect on tax law and procedure. TEI's advocacy program is successful because it is based on, and driven by, the diverse experiences of its members. TEI has a talented and dedicated legal staff, but tax administrators and policy makers are not interested in their views—they are interested in what TEI members have to say. Why?

TEI is the only organization comprised exclusively of in-house tax professionals who are responsible for actually applying tax rules to their employers' business activities, reporting the results in tax returns, and working through tax examinations of their employers' returns. There is no substitute for this real-world, on the ground industry experience.

Next, TEI's membership is broad-based and crosses industry lines. This diversity creates a unique atmosphere in which the government is comfortable that we are advocating for change that will benefit taxpayers generally, as opposed to a particular special interest group. These two factors are a powerful combination, and because of it, tax administrators and policy-makers are truly interested in what TEI has to say.

## HOW IS AN ADVOCACY PROJECT STARTED?

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Each TEI advocacy success was started by one or more TEI members stepping forward and making their company issue the Institute's issue. For the reasons outlined above, member participation is not just critical, it is **required** for a successful advocacy project.

Advocacy projects usually originate in one of TEI's Institute-level standing committees. TEI has eleven tax and tax-related standing committees in which TEI members discuss shared issues and organize advocacy efforts. The committees are the: Asia Tax Committee, Canadian Commodity Tax Committee, Canadian Income Tax Committee, Corporate Tax Management Committee, European Direct Tax Committee, European Indirect Tax Committee, Federal Tax Committee, Financial Reporting Committee, U.S. International Tax Committee, IRS Administrative Affairs Committee, and State and Local Tax Committee. A member of TEI's legal staff works with each committee to assist with advocacy projects and other committee activities.

A TEI member does not have to be a formal member of a local or Institute-level committee to start an advocacy project. The member must simply identify an issue that is important to his or her employer and contact someone involved in an Institute committee or a member of TEI's legal staff to discuss it.

Once a potential advocacy issue is raised in an Institute-level committee, the chair of the committee discusses it with committee vice chairs and the committee's legal staff liaison to determine if the committee should pursue the issue as an advocacy project. Considerations include whether the issue impacts a broad segment of the Institute's membership, whether the issue is taxpayer or industry-specific, whether it is non-decisive or non-controversial within TEI membership, likelihood for success, and availability of resources to complete the project.

## WHAT HAPPENS NEXT AND WHAT'S REQUIRED OF ME?

Once an issue is selected for an advocacy project, the Institute's committee process begins. The process is founded on the notion of members learning from and assisting other members. It ensures the advocacy process operates by consensus for the benefit of the membership at large.

A member of TEI's legal staff works with each committee to facilitate and help coordinate advocacy projects. While position papers are sometimes wholly drafted by individual members of a committee, submissions are more frequently the product of collaborative efforts by multiple members, the committee chair, and TEI's legal staff. No single committee member is responsible for a project.



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At a minimum, members must provide a summary of the legal issues, key facts, and industry perspectives on why the government should adopt the position being advocated. Member input commonly takes the form of a bullet point outline or multiple paragraphs addressing these points. The staff liaison usually takes the lead in compiling input from participating committee members and arranging it into the working draft of a position paper.

Once a draft paper is prepared, it is ordinarily circulated to all members who provided input for review and comment. The legal staff liaison generally compiles member comments and revises the draft. The revised draft is then reviewed by the committee chair, revised as necessary, and ultimately approved for circulation to the Institute's 11-member Executive Committee.

All position papers must be approved by at least two-thirds of the Executive Committee, including the Institute's President. The Executive Committee consists of the Institute's President, Senior Vice President, Secretary, Treasurer, and seven other TEI members nominated annually by the President and approved by TEI's Board of Directors. Executive Committee nominations are intended to represent a cross-section of the Institute's membership, reflecting varying industries, geographic regions, and company sizes. The Executive Committee approval process ensures consistency and adherence to the Institute's principles.

Once the Executive Committee approves a position paper, the legal staff liaison submits it to the appropriate government body. Submissions are then posted to TEI's website, released to the media, and reprinted in the *Tax Executive* magazine.



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