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Oct. 24, 2017

U.S. Senate
Washington, DC 20515
(202) 224-3121

**RE: Support S. 1549, New Economy Works to Guarantee Independence and Growth
(NEW GIG) Act**

Dear Senator,

The R Street Institute is proud to support S. 1549, the New Economy Works to Guarantee Independence and Growth (NEW GIG) Act. This bill offers a commonsense update to our nation's antiquated view of employment and updates tax laws that concern a worker's employment status. The so-called "gig economy" holds tremendous promise for our nation's future. This measure marks a good first step toward addressing the important issues we face as we try to integrate these new jobs into our legal framework.

What it means to be an employee or independent contractor in America is evolving and a new clarification is desperately needed: overregulation and globalization has reduced the number of people working for themselves and for small businesses over the past several decades. The gig economy, however, holds potential to reverse this trend by creating a new class of workers who clearly are not traditional employees, but who may have a relationship with a firm that differs from that of a traditional independent contractor.

It is imperative that the federal government start to bring this new class of workers into our tax system fairly, rather than try to force them into pre-existing standards. With millions of Americans now finding opportunity in the gig economy in some capacity, it is only fair the government recognize them for what they really are in terms of employment.

The New Economy Works to Guarantee Independence and Growth (NEW GIG) Act addresses some of these concerns and lack of clarity regarding who is an employee and who is an independent contractor. This bill creates a safe harbor for independent contractors, but with a set of criteria that must be met in order to claim that status for income and employer tax purposes. This safe harbor will both provide clear protections for traditional independent contractors, as well as successfully bring into the tax system the

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new short-term contractors who currently have no designation. Furthermore, the bill clarifies IRS filing requirements for independent contractors and offers new protections in tax court.

We urge you to support S. 1549, the New Economy Works to Guarantee Independence and Growth (NEW GIG) Act.

Sincerely,
R Street