

Congress of the United States
House of Representatives
Washington, DC 20515-0301

March 17, 2016

The Honorable Ander Crenshaw
Chairman
Committee on Appropriations
Subcommittee on Financial Services
and General Government
U.S. House of Representatives
B-300 Rayburn HOB
Washington, DC 20515

The Honorable Jose Serrano
Ranking Member
Committee on Appropriations
Subcommittee on Financial Services
and General Government
U.S. House of Representative s
1016 Longworth HOB
Washington, DC 20515

Dear Chairmen Crenshaw and Ranking Members Serrano:

As you prepare to develop the Financial Services and General Government Appropriations Act for Fiscal Year 2017, we respectively request your consideration of language that would prohibit the use of funds to dispense business tax deductions for brothels.

Despite being illegal in nearly every state and locale in America, with the exception of just 10 counties in Nevada, prostitution is a booming industry. With annual revenues exceeding \$50 million, brothels were able to reduce their federal tax liability almost \$17.5 million in 2013 by using standard business deductions on a myriad of expenses including wages and salaries of prostitutes, rent, utilities, and even employee breast implants. This gross abuse was highlighted in one of Senator Tom Coburn's annual Wastebooks.

Accordingly, we ask that you include language similar to the following in the Financial Services and General Government Appropriations Act for Fiscal Year 2017:

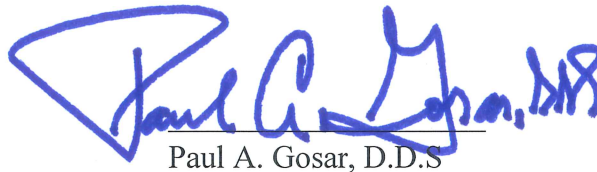
“None of the funds made available in this Act may be used in the administration of the internal revenue laws to allow any deduction from gross income for any amount paid or incurred in carrying on any trade or business to the extent such trade or business consists of operating a house of ill fame or repute or any other employment of any person for the purpose of prostitution.”

The million-dollar tax breaks utilized by brothels ultimately amount to a federal subsidy of the sex industry. There are numerous laws which prohibit interstate prostitution rackets, yet we are currently allowing the use of taxpayer funds for indecorous “standard business deductions” of brothels. In addition to the obvious concerns regarding the decorum of such deductions, at a time

of high deficits and a \$19 trillion plus debt, expenditures for brothel tax-breaks are especially wasteful.

We thank you for your thoughtful consideration of this request, and for your continued leadership on your respective committees

Sincerely,

A handwritten signature in blue ink, reading "Paul A. Gosar, D.D.S.", with a large, stylized initial "P" on the left. The signature is written over a horizontal line.

Paul A. Gosar, D.D.S