2025-2026 Annual Report

NATIONAL TAXPAYERS UNION | NATIONAL TAXPAYERS UNION FOUNDATION

Taxpayer Impact by the Numbers

21.4 Billion Audience reach via media hits

161 Radio appearances

4,094 State meetings with legislators
343 Federal meetings with lawmakers

883,558 Total web impressions

244 TV appearances

72 Op-eds published

16 Legal briefs filed

Cited in **1** Supreme Court decision

117 Letters and legislative testimony submitted to state and federal lawmakers

5,553 Media citations

45 Congressional press release citations

President's Report

So the One Big Beautiful Bill Act (OBBBA) has been signed into law, presidential appropriations rescissions have taken place, the federal workforce is slowly shrinking thanks to DOGE, and states are continuing to reduce income tax burdens. This must mean fiscal policy is on the right course, so much so that NTU and NTUF can stand down for this Congress and the rest of the Trump Administration. All of you would, and should, find such a statement preposterous. Instead, we did what we always do: carefully plan for every possible scenario. We saw a severe knowledge gap over how and why the 2017 Tax Cuts and Jobs Act needed strengthening prior to its expiration in late 2025, so we organized focus groups, conducted polling, and held a policy retreat for top level congressional staff. We patiently worked behind the scenes to help move both chambers (and parties) toward another major IRS reform bill amid bitter partisanship.

But, when OBBBA drove across the finish line faster than most had predicted, we changed gears without hesitation, by providing granular guidance to the Treasury and IRS on how best to implement some of the new law's most complex parts. We reminded both ends of Pennsylvania Avenue that the progress made toward slowing the growth of Medicaid and other benefit spending under OBBBA was just an opening gambit for getting the federal budget back under control. We provided "no-brainer" legislative proposals to maintain that momentum and foresaw the next

After the passage of the One Big Beautiful Bill, NTU President Pete Sepp shared the history of the organization's major involvement in every tax reform effort since 1969 with supporters in Louisville, Kentucky.

When NTU President Pete Sepp testified to the Subcommittee on Oversight in February about the need for IRS return on investment and modernization, House Ways and Means Committee Chair Jason Smith (R-MO) welcomed him back to the Committee.

“fiscal cliff” sooner than most—the expiration of overgenerous COVID-era Obamacare subsidies and the need to avoid another deficit-hiking extension of them.

At the state level, we have adroitly navigated both challenges and opportunities for taxpayers with a unique team in our movement that emphasizes shoe-leather lobbying. As the state activities map included in this report will demonstrate, our on-the-ground engagement has kept the cadence for a march that could soon see half the states covered by flat or zero-rate income taxes. At the same time, we have never assumed that “Red State” status means nothing but green lights for pro-taxpayer policy. From health care to financial services, we have authoritatively guided fiscal conservatives away from unhelpful proposals and toward better ones.

Meanwhile, NTUF is providing vital pro-taxpayer research, analysis, and litigation that has no equal in our public policy sphere. Who is tackling the states’ broken payroll tax systems with a toolkit for lawmakers that is leading to legislative introductions? Who is publishing groundbreaking analyses of tax-related migration in the United States? Who submitted more than 30 concrete budget process reforms to a hearing request last year—reforms that actually have a chance of becoming law? Who continues to provide steady, historically-grounded analysis on moving ahead with constitutional expenditure limitations? Who defends those limitations in court successfully, while challenging state and federal tax schemes that reach across borders unconstitutionally, or impose unreasonable retroactivity? The answer to each of these questions is simple: NTUF.

Few of these triumphs would have as much impact without a top-notch communications and marketing team. As the statistics elsewhere on these pages will show, we have grown our notoriety the hard way, by showing up in outlets which purport to represent centrist or conservative views but often fail to provide a consistent limited government perspective. We're broadening their horizons.

Speaking of horizons, what lies ahead? Our long history, as well as our proven ability to adapt any situation to the advantage of taxpayers, will serve us well in the future. These are but a few examples:

- **The "5Rs."** The rest of this Congress, and this Administration, must focus on five goals:
    - Reconciliation (2.0)
    - Rescissions
    - Regulations: OBBBA implementation and IRS
    - Reforming the appropriations process
    - Restraint via a Fiscal Commission, spending caps, and a Balanced Budget Amendment

- **Plowing old ground with new ideas.** The hot state and local issue for 2026 is one that we have worked on since the days of Proposition 13: property tax reform. From convenings at ALEC and SPN to NTUF's series on "truth in taxation" and other ideas, we are prepared to lead the conversation.

At the State Policy Network Annual Meeting in New Orleans in August, NTUF hosted a working group breakfast to identify solutions to rising property taxes nationwide. Experts in attendance continue to work together to address the ongoing issue.

NTUF Executive Vice President Joe Bishop-Henchman and President Pete Sepp presented to a crowd of Atlas Liberty Forum attendees about Tax Drama Behind the Scenes: Protecting Taxpayers from Confusing Rules and a Dysfunctional IRS. The panel drew a large and engaged international audience.

• **Tech and energy: the next frontier.** We have stood up an outreach and advocacy project that will establish a pro-taxpayer path for policymakers trying to sort through the demands of AI and data centers on the energy grid.

• **Seeing them in court.** When the Taxpayer Defense Center was founded in 2020, we wondered how we would find cases to move the needle in the public interest. Those cases are finding us, from some of the most prestigious law firms in the country. In the coming year, we will be involved in dozens of cases involving IRS powers, state taxing authority, government price controls, and tariffs, to name a few.

Because of your support for NTU and NTUF, you have taken us to a position in which we can influence and impact these, and so very many other vital taxpayer causes. Let us celebrate that fact, but only for a moment.

Generational fiscal challenges may be met head-on, or avoided to our country's long-term detriment, in the next 12 months. What direction should we take? I hope your answer will be, forward!

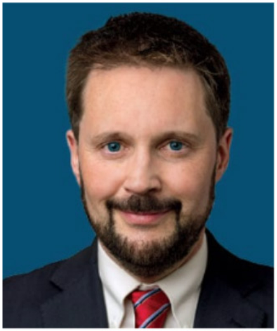
Appreciatively,

Pete Sepp

Washington DC’s 500 Most Influential People of 2025

WASHINGTONIAN

Economic Policy



Pete Sepp

National Taxpayers Union

President

Sepp has shaped legislation through congressional testimony, policy analysis, and grassroots mobilization, particularly during major tax-reform efforts such as the debate over extending the Tax Cuts and Jobs Act of 2017.

Education: Webster University. **How he unwinds at the end of the day:** “I make a recipe from one of my mother’s 1960s–’70s cookbooks. If time’s too short for that, I take a short flight on my computer simulator.” **Unusual productivity hack:** “I use the ‘negative’ function on our copier to print anything I write, then read each line backwards. Good for [checking for] typos as well as readability.”

President Pete Sepp was recognized by Washingtonian *as one of Washington, DC's 500 most influential people.*

Shaping the Big Beautiful Bill

The "taxpayers' lobbyists" put shoe leather and expertise to work on historic federal tax reform

One of the primary goals this year was preserving some of the enormous gains made in 2017's Tax Cuts and Jobs Act, especially the provisions to ensure the proper tax treatment of investments in capital and R&D.

Our team served as a driving force behind those policies—with 218 collective Hill meetings from the start of the calendar year to the bill's passage. We also held several meetings with staff at the White House Office of Public Liaison and the Treasury Department, including a May visit with then-Deputy Secretary Michael Faulkender and his top deputies.

As OBBBA took shape, we leaned heavily on strong connections with the key decision makers on Capitol Hill—like regular meetings with Speaker Johnson's team and other House leadership offices, and a constant stream of communications with the tax writing committees. This helped build momentum behind permanence for the most important provisions, while pushing back on the less beneficial parts of the bill, most of which were made temporary.

Soon after the bill passed the House, a senior staffer at the House Ways and Means Committee wrote to NTU Executive Vice President Brandon in gratitude for our work to get the bill through the House and to request our help to plan a strategy to get the bill through the Senate.

Needless to say, our work was a part of a successful push to get OBBBA enacted into law. That was a big victory, but not a final one. There is much more work to do to improve our nation's fiscal health.

See all our OBBBA Work

In the first half of 2025, the NTU and NTUF teams educated congressional staff on tax reform at six separate events. The work culminated after passage of the bill when a senior member of the House Ways and Means Committee expressed gratitude, saying "we couldn't have done it without you!"

Educating Congressional Tax Staff on Taxes and Spending

National Taxpayers Union Foundation hosted congressional staff for an overnight retreat

In March 2025, NTUF hosted an intensive overnight policy retreat that educated three dozen congressional staff about the history of TCJA, tradeoffs associated with its expiration and extension, and innovative policy ideas.

The agenda covered a variety of topics including corporate taxes, spending scorekeeping, international taxes, fiscal responsibility, full expensing, and the Child Tax Credit. Speakers included policy analysts from NTUF and a dozen allied organizations.

Several congressional staff members noted that this was the first time they had met their counterparts in the opposite chamber. Our event forged relationships that paid dividends throughout the drafting and debate process.

Dozens of congressional staff attended the overnight tax reform retreat we hosted in Cambridge, Maryland. The retreat prepared staff for everything they need to know about tax reform, including the child tax credit, international taxes, business taxes, the reconciliation process, scoring, and the deficit. (Top) NTUF Executive Vice President Joe Bishop-Henchman (Left) NTU Senior Policy Manager David Timmons (Right) Unleash Prosperity Economist Stephen Moore.

WASHINGTONIAN

18 Great Places to Work in the DC Area

NATIONAL TAXPAYERS UNION

Advocacy organization

NORTHWEST DC

Number of employees: 23.

What employees say: "Everyone is onboard with the mission, so there are no big egos and no inner-office politics that I'm aware of. It's a good team atmosphere with camaraderie and support, there's a flexible work schedule, and entrepreneurship is encouraged."

Notable: Founded in 1969 and billing itself as the "Voice of America's Taxpayers," this fiscally conservative nonprofit has stood behind many of the tax cuts enacted by Republican Presidents—including Ronald Reagan and Donald Trump—favoring "lean and efficient government."

Washington DC's 500 Most Influential People of 2025

WASHINGTONIAN

Trade

Bryan Riley

National Taxpayers Union

Director, Free Trade Initiative

In the heat of the presidential campaign last fall, Riley testified before a Senate committee about how tariffs that were intended to punish China have actually cost the average American household $1,700 annually.

Hometown: Manhattan, Kansas. **Education:** Kansas State; University of Southern California.

Free Trade Initiative Director Bryan Riley was recognized by Washingtonian *as one of Washington, DC's 500 most influential people.*

The Taxpayers' Voice on Capitol Hill

Our team had a busy and productive year as we have grown our staff and continued to grow our impact on the Hill and within the Trump Administration.

Taxpayer Defender of the Month

This year, we launched the "Taxpayer Defender of the Month" award to honor members of Congress and other notable figures who are putting in the hard work on behalf of the American taxpayer. This not only gives us a platform to honor great accomplishments, but also an opportunity to connect directly with important policymakers.

The first award was presented to House Budget Committee Chair Jodey Arrington (R-TX) in June and we've continued to hand out the hardware each month to other leaders including Senator James Lankford (R-OK), Senator Eric Schmitt (R-MO), Senator Joni Ernst (R-IA), and Treasury Secretary Scott Bessent.

While presenting the award to Bessent in October, we had an excellent opportunity to discuss the priorities of the Treasury Department, including implementation of OBBBA, as well as his role as the Acting Commissioner of the IRS. As the turmoil at the IRS continues, we will continue to provide sage advice on how to improve its functioning.

NTU Executive Vice President Brandon Arnold (left) presenting U.S. Rep. Jodey Arrington (right) with the inaugural Taxpayer Defender of the Month in June for his work to improve the One Big Beautiful Bill Act as Chairman of the House Budget Committee. The award recognizes leaders who go above and beyond to protect taxpayers through transparency, fiscal discipline, and principled leadership.

Free Trade

With tariffs rising rapidly, some advocates for free trade have opted to remain silent—or worse, to support some aspects of protectionism. NTU, on the other hand, remains committed to the simple and undeniable fact that tariffs are taxes and that low taxes are good for consumers, businesses, and the economy. That said, we employ a strategic approach to spreading this message on the Hill, in the media, and even to the Trump Administration. Some of that is public-facing, like our media appearances and public filings. Much of it is behind the scenes work with free trade–oriented staffers and members. The day after the Supreme Court's tariff hearing, we held a lunch briefing that was attended by nearly 50 Hill staffers, including some of the top trade staffers on Capitol Hill from both parties. We are in regular contact with our allies on the Hill, providing

Congressional staff expressed gratitude to us for hosting two policy lunches in our building during the fall 2025 government shutdown. The first lunch focused on the tariffs case before the U.S. Supreme Court and the second lunch detailed the 2025 No-Brainer Bills report.

U.S. Treasury Secretary Scott Bessent was recognized as a Taxpayer Defender of the Month for reining in insider-style stock trading by public officials, modernizing and streamlining the IRS, and helping Americans keep more of their income through the One Big Beautiful Bill Act and "No Tax on Tips" guidelines. Pictured on right with Executive Vice President Brandon Arnold (middle) and President Pete Sepp (left).

them the policy ammunition they need to make the case for opposing statutorily imposed tariffs or tariff rebate checks. We expect these policy debates to rage on for many, many months.

Competitiveness Coalition

We launched the Competitiveness Coalition in 2022 to push back against anti-capitalism efforts in the Biden Administration—namely the work by former Federal Trade Commission Chair Lina Khan to kneecap large, successful American companies.

The coalition remains strong despite Chairman Scott Brown stepping down from his post earlier this year so he could run for U.S. Senate in New Hampshire. Under the leadership of our new chair, former

Republican National Committee Chair Ronna McDaniel, the Coalition's profile has soared.

Congressional Staff Education Pays Off in Final Tax Reform Bill

Through our education and outreach activities, including an overnight retreat for Capitol Hill tax staff, we provided knowledge and tools that shaped OBBBA and avoided a $500 billion per year tax increase. Our three decades of leadership on IRS reform and oversight began paying off to transform the IRS into something less scary for taxpayers. Our specific proposals have the ear of new management and are being included in legislative changes to how the IRS functions.

Overall, our dozens of research reports cover timely topics including federal spending cut ideas, the Supreme Court's tariffs case, donor privacy in the tax code, excise taxes on prescription drugs, and how to prevent government shutdowns. Our experts appear regularly in the media and speak at key gatherings of decision-makers like ALEC, Atlas Network, Federalist Society, GOPAC, ISPL, LPR, NCSL, SPN, and state-level conferences.

After weeks of rapid response and outreach engagement by our team and many others, including hosting an overnight retreat for congressional staff, the final tax reform bill as adopted included permanent full expensing on equipment investments and manufacturing structures, a rollback of green energy subsidies enacted during the Biden Administration, and needed savings to the Medicaid program.

While any bill is far from perfect, OBBBA avoids a $500 billion per year tax increase on the vast majority of Americans.

Before passage of the One Big Beautiful Bill Act, NTU hosted congressional staff for "Behind the Scenes: TCJA Stories from 2017" a lunch and panel discussion with experts George Callas, and Mark Prater who were legislative staff during passage of the 2017 Tax Cuts and Jobs Act. From left, Brandon Arnold, NTU Executive Vice President, Mark Prater and George Callas.

An ad placement in Politico Morning Trade earned 30,169 impressions in the span of one week in September, directing web traffic to tariffs-report.com.

As uncertainty from "Liberation Day" tariffs plagued the U.S. economy, Free Trade Initiative Director Bryan Riley, together with President Pete Sepp, hosted a webinar exploring the implications for U.S. families and businesses and how tariffs could negate the pro-growth tax cuts in the One Big Beautiful Bill.

During the government shutdown, we hosted a well-attended lunch about our 2025 No Brainers Report. From left, Brandon Arnold, Executive Vice President, Thomas Aiello, Vice President of Federal Affairs, David Timmons, Senior Policy Manager, and Demian Brady, NTUF Vice President of Research.

With OBBBA now behind us, we know what must come next: serious, sensible spending restraint and budget process reform. We know from our polling and focus grouping that fiscal responsibility is a significant and growing concern for Americans across the board. Over the next ten years, the federal government is projected to raise $63 trillion in revenue and spend $88 trillion, resulting in a gap of $25 trillion that will be added to the $37 trillion national debt. In 2025, the federal budget deficit is projected to reach about $2 trillion and will likely be the third highest deficit on record, with interest on the debt exceeding defense spending.

NTUF champions legislative and regulatory solutions to reduce spending and strengthen our nation's economic growth and revenue base. Spending reforms will be a critical element of deficit reduction, as federal revenues have remained largely stable as a share of GDP over the past decade, while federal spending continues to balloon. Further tax policy reforms that rein in special interest tax breaks and promote broad-based pro-growth tax policies will also be crucial to this effort.

While Congress was working on OBBBA, NTUF provided a list of $1 trillion (10-year estimate) in further savings to build on the savings included in the bill. Our Taxpayers' Budget Office, led by NTUF Vice President Demian Brady, analyzes and promotes a mix of sweeping reforms and small-scale practical ideas to fix how Washington does budget math. We believe that, if the institutional processes and incentives that encourage overspending and gimmicks can be altered, better outcomes will follow.

IRS Transformation

We continue to champion the 23 recommendations developed by a cross-partisan coalition of experts, Taxpayers for IRS Transformation (Taxpayers

FIRST) covering taxpayer service, IRS modernization, the tax gap, and taxpayer rights. For the past year, Pete Sepp and Debbie Jennings have worked with both the Democratic and Republican staffs on the Senate Finance Committee on what is now introduced as the Taxpayer Assistance and Service Act. The bill incorporates several long-standing NTUF wish list items, including widening access to appeals, forcing the IRS to report consistent customer service metrics, adding more information including clearer info on taxpayer rights to IRS notices, and letting people pay electronically without risk of late penalty.

Pete testified in February to the U.S. House Ways & Means Subcommittee on Oversight on "IRS Return on Investment and the Need for Modernization," detailing how the IRS has missed opportunities in the past to modernize and how it could begin to serve taxpayers in a more modern way. Our team has also met with new IRS officials to communicate our recommendations in person, and we weigh in on most IRS and Treasury regulatory rulemakings—sometimes as the only witness willing to speak up.

Our research and education work had a real impact on the IRS's troubled Direct File program and the 1099-K mess created by President Biden's American Rescue Plan Act. We explained how the IRS acted unlawfully in both instances, using funds for a pilot to instead proceed to a program rollout at much greater cost and rewriting thresholds codified in law. The IRS is now in the process of winding down Direct File, and OBBBA restored the 1099-K reporting threshold from just $600 back to $20,000 and 200 transactions. These are huge victories for millions of taxpayers caught in the crosshairs of poorly conceived policies.

Cross-Partisan Results for Taxpayers

"Senators Scott, Crapo, Colleagues Reintroduce Legislation to Improve IRS Accountability"

"What They Are Saying: President Trump Endorses House Budget Resolution"

"Senator Rand Paul Reintroduces Audit the Fed Bill"

"Widespread Support for Senate Commerce Committee's 800 MHz Spectrum Pipeline"

"RSC Chairman Pfluger and HEAT Team Members Join Trump in Blocking UN's Global Carbon Tax Framework"

"Steube, Barrasso Taxpayer Privacy Bill Advances Out of Ways and Means Committee"

"Beyer And DelBene Introduce Legislation Stop Trump Tariff Chaos, Restore Trade Authority To Congress"

"Ashley Moody & Joni Ernst's Stop Secret Spending Act Receives National Taxpayers Union "No-Brainer" Recognition for Bipartisan Legislation Congress Should Pass"

"What They Are Saying: Tax Relief for American Families and Workers Act Continues Pro-Growth Record of GOP Tax Reform"

"WTAS: Whip Emmer Announces Over 100 Stakeholder Groups Supporting House Republicans' Budget to Advance President Trump's Agenda"

"Senator Marshall, Rep. Van Duyne Reintroduce Legislation to Reduce Overbearing Regulations for America's Small Businesses"

"Booker, Lee Reintroduce Bipartisan Bill to Improve the EQIP Conservation Program"

Making Life Less Taxing in the States

Our team achieved remarkable success for taxpayers in 2025.

Protecting Health and Taxpayers

NTU's Senior Vice President of State Affairs Leah Vukmir led our work on health care and tobacco harm reduction, combining her background as a nurse and former legislator to make a strong fiscal case for smarter policy. Her testimony in multiple states warned lawmakers about the risks of expanding the 340B Drug Discount Program without transparency safeguards and the fiscal outcomes of expanding access to high-cost anti-obesity medications with proper controls.

Kentucky Speaker Pro Tem David Meade, Senior Vice President of State Affairs Leah Vukmir, and NTU President Pete Sepp at the Bourbon & Baseball donor retreat in Louisville in August. Speaker Pro Tem Meade subsequently requested Leah present on 340B Discount Drug Program to the Kentucky House Republican Caucus.

The team with partners from 1-800-Contacts at the inaugural No Taxation Without Libation Party in April. From left, NTU Director of State External Affairs Mattias Gugel, Erik Castaneda, NTU Senior Director of State Affairs Jess Ward, Nicholas Schilligo, and NTU Senior Vice President of State Affairs Leah Vukmir.

Leah Vukmir also continued NTU's leadership in tobacco harm reduction, showing how reduced-risk alternatives can save lives while lowering long-term health care costs.

Defending Small Businesses and Consumers

Jess Ward and Mattias Gugel jointly spearheaded NTU's nationwide defense against credit-card interchange-fee price controls—one of the most consequential taxpayer issues to emerge in state legislatures. Their sustained efforts ensured that no state has enacted an interchange or "swipe-fee" price-control bill since Illinois, a sweeping, multi-state victory for taxpayers and market freedom. Jess Ward and Mattias Gugel have also engaged with emerging state "anti-debanking" proposals. As lawmakers look to regulation to address account-closure concerns, NTU is working to highlight unintended consequences and ensure policies protect both consumer access and financial stability.

Jess Ward also drew on her own experience as a small-business owner to advance NTUF's Payroll Tax Toolkit, helping lawmakers understand how hidden payroll taxes suppress wages and complicate hiring.

Preventing Market-Distorting Taxes

Beyond interchange policy, the team tackled emerging digital advertising and streaming tax proposals, educating legislators on how these schemes double-dip on consumers and distort markets. In Missouri and elsewhere, NTU's engagement helped block these bills before they advanced.

The team also played a leading role helping voters in Oregon reject Ballot Measure 118 (a disguised gross receipts tax), defeating tax-swap efforts in Nebraska, and preventing corporate tax increases in South Carolina. Our defense of portable benefits legislation in Wisconsin offered lawmakers a constructive, pro-worker alternative to rigid reclassification mandates.

Building Influence Nationwide

In 2025, NTU expanded its footprint at the highest levels of state leadership through participation in GOPAC, ALEC, and—for the first time—the Republican Leadership Campaign Committee (RLCC). Each network provides direct access to key decision-makers who shape state fiscal policy.

We engaged in 41 states to provide remedies for a number of tax and budgeting issues. We helped advise on transformative tax overhauls, including Mississippi's tax triggers to phase out its income tax. We gave policy blueprints to state governments to reform their bloated and burdensome payroll tax systems, advanced changes to protect remote workers, and stopped destructive taxes on data and investment.

Mobilizing the States for Federal Tax Reform

NTU and NTUF hosted a panel discussion at the American Legislative Exchange Council's annual meeting in Indianapolis with Indiana Governor Mike Braun about OBBBA's impact on the states. 136 state legislators stayed for 75 minutes to learn more about this topic as well as how the federal government could engage in some fiscal responsibility.

NTUF Executive Vice President Joe Bishop-Henchman conducted a half-day session with state think tanks to coordinate on tax reform. He also participated in discussions on tax reform at the Institute for State Policy Leaders Summit as well as speaking in West Virginia on tax reform. In addition to meetings and events, NTUF published insights on key aspects of OBBBA as it wound through House and Senate committees. In April 2025, we released a report showing the state-by-state impact if tax reform was not extended. We continue to be a key resource for policymakers on how their state should and should not conform to the federal tax code.

Promoting Solutions to State Policymakers

We never forget the role state policy plays in the day-to-day lives of most taxpayers. We speak out against bad policies and bring positive reforms to state capitals. When Mississippi Senator Josh Harkins wanted to design a realistic way to phase out the state's income tax or Maryland legislators sought research support to oppose destructive new tax increases, they called us. Our team helps answer questions, respond to arguments, and explain alternatives. As a result, Mississippi is now on a path for a phased repeal of the state income tax and bad tax ideas in numerous states did not succeed.

Our Payroll Tax Project explains how employers are unfairly burdened by rising payroll taxes, while unemployment insurance (UI) programs fail to serve those truly in need. Ideas that have become policy include benefit disqualification for fraud offenders, cross-checks of death and new-hire records, and adjusted benefit duration for unemployment rates. Our Better State Budgets project takes policies that succeed in reducing the size and scope of government in at least one state and champions them nationwide. These solutions include Utah's Truth in Taxation system that reins in property tax increases, Arkansas's budget prioritization that prevents overspending, DC's CFO certification that avoids long-term liabilities, and the item-reduction veto used in some states to substitute lower amounts in budgets.

Our annual Remote Obligations and Mobility (ROAM) Index by Andrew Wilford ranks states on their tax policies for remote workers. This year,

At the 2025 ALEC conference in Indianapolis, 139 legislators packed a standing-room-only session on the One Big Beautiful Bill Act's state tax impact, moderated by Senior Vice President of State Affairs Leah Vukmir. Panelists included Indiana Governor Mike Braun, Indiana State Senator Jim Buck, and NTUF Executive Vice President Joe Bishop-Henchman.

we worked with Arkansas to improve tax treatment of remote workers and in Alabama, which adopted our recommended 30-day threshold in May 2025.

There's a reason why high-tax states like California and New York are increasingly resorting to taxing out-of-state individuals and businesses: their own taxpayers keep fleeing for greener pastures. Each year, our *Tax Migration* paper reports the data that shows taxpayers fleeing New York, California, and Illinois for states like Florida and Texas.

This year, we further published a series of papers looking at the demographics of these shifts at a more granular level, including how

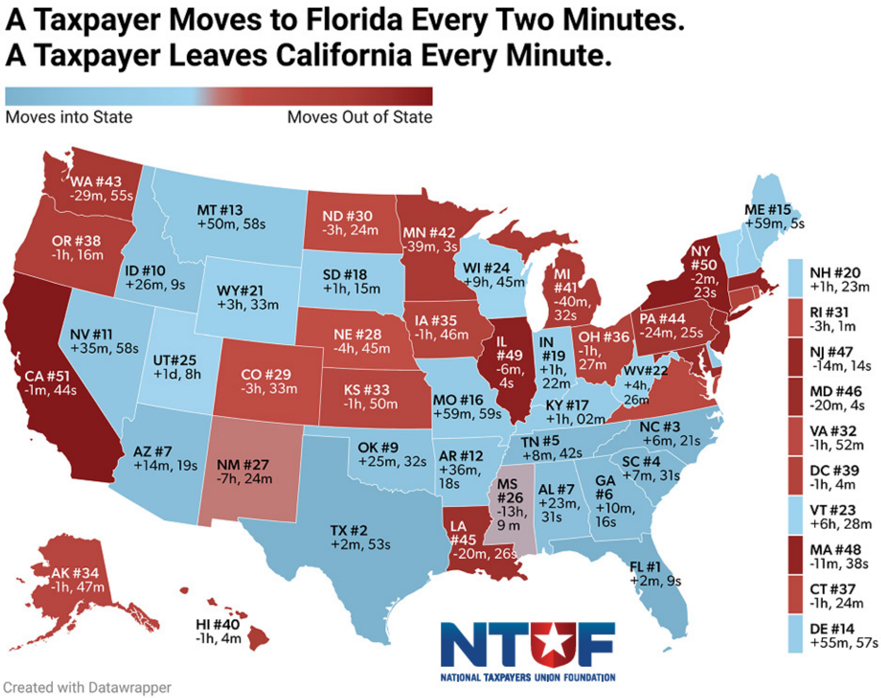
Policy Manager Matt Putnam (center) testified against a new digital services tax in the Maryland House Ways & Means Committee.

many minutes pass between fleeing taxpayers in certain states and the revenue impact on the states that lost the most citizens to interstate migration.

Amplifying the Message: Media and Public Education

Throughout the year, our team worked to amplify the taxpayer message through radio, podcasts, and local press. Our outreach emphasized the state-specific impact of OBBBA—NTU's campaign to make the federal tax cuts permanent.

By translating national policy into local consequences, we helped voters, business owners, and state leaders understand what inaction on OBBBA would mean for their communities.



The migration report authored by NTUF's Andrew Wilford ranking states by how often taxpayers leave or enter was shared widely among lawmakers and reached an audience of approximately 229 million over 10 days.

In Demand by the Media

reason
FREE MINDS AND FREE MARKETS

"Trump's Tariff Tantrum Proves He Shouldn't Have That Power"
NTU, Quoted

THE HILL

"Simplify the tax code — repeal burdensome regulations"
By Demian Brady

FOX BUSINESS

"Taylor Swift and Travis Kelce engagement news highlights hidden tax burden on everyday entertainment workers"
By Andrew Wilford

FOX NEWS

"The Trump Deduction: A simpler path to tax-free tips and overtime"
By Brandon Arnold

The Center Square

"District to repay $3 million to property owners"
Tyler Martinez, Quoted

NEWSMAX

"Cutting Rates will Lower Credit Payments for Consumers"
TV Interview with Thomas Aiello

Washington Examiner

"Smart policies will show taxpayers the benefits of data centers"
By Pete Sepp

NATIONAL REVIEW

"Political Cowardice: Covid Obamacare Credit Edition"
NTU, Quoted

TRIB LIVE

"Congress should not turn a temporary handout into a permanent burden"
By Alexander Ciccone

DC JOURNAL
AN INSIDESOURCES PUBLICATION

"The Tomato Tariff Tax"
Bryan Riley, Quoted

milwaukee journal sentinel

"The payroll tax you don't see — and the raise you don't get"
By Mattias Gugel

THE WALL STREET JOURNAL.

"Joe Biden Is Struggling to Cash In on His Presidency"
NTUF, Quoted

Tampa Bay Times

"Floridians seeking property tax reform should look to the west"
By Matthew Putnam

Fighting for Taxpayers in the Courtroom

NTUF's Taxpayer Defense Center, our public interest litigation arm, secured wins in court for taxpayers. Our plaintiffs in Colorado will see the return of $3 million in illegally increased property taxes, and the court awarded NTUF our costs. Other lawsuits against the IRS and in other states aim to protect taxpayers from government overreach, double taxation, and retroactive taxation.

Winning Back Illegally Paid Taxes for Colorado Taxpayers

After a three-year fight, NTUF won a victory for taxpayers against an illegal doubling of taxes by a Colorado water district. We filed *Aranci v. Lower South Platte Water Conservancy District* alongside an in-state group, Advance Colorado, after officials unconstitutionally raised and collected property taxes without the voter approval required by the Colorado Taxpayers' Bill of Rights (TABOR).

While the trial judge sided with the Water District in 2024, the Colorado Court of Appeals reversed unanimously and agreed with us. The Water District appealed, but the Colorado Supreme Court declined to hear the case in October 2024, leaving our victory intact. In final negotiations over refund details, we successfully opposed an attempt by the Water District to offer refunds upon request but treat any funds not claimed within 90 days as a "donation." The Water District must now pay $3 million over 10 years with 10% interest running until it is all repaid. All of this money will go directly to the taxpayers. Our lead attorney on the case, Tyler Martinez, also secured a rare ruling ordering the District to pay our attorney fees and court costs.

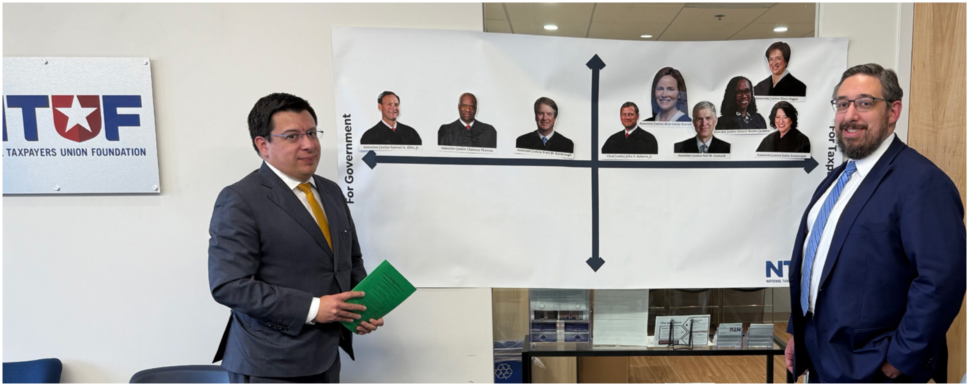
The Taxpayers Defense Center prevailed in court over the Lower South Platte Water Conservancy District, a taxing authority that doubled property taxes without approval from voters, a clear violation of the state's Taxpayers' Bill of Rights. The Judge awarded the Taxpayers Defense Center attorney's fees in the case, a rare move. NTU President Pete Sepp (left) and NTU Executive Vice President Joe Bishop-Henchman (right).

Suing the IRS and State Tax Administrators

In *Speer v. Oregon Department of Revenue*, we represent Steve and Sarah Speer, who live in Oregon and invested in a brewery in Wisconsin. The couple paid the appropriate taxes in both Wisconsin and Oregon, but Oregon refused to credit taxes paid in Wisconsin, resulting in double taxation that we argue is unconstitutional. A tax magistrate ruled against us and we are currently appealing. Our lawsuit is necessary to prevent other states from reaching beyond their borders to tax out-of-state investments.

In *NTU and Titus v. Lombardo*, we, alongside Nevada senator and doctor Robin Titus, challenged Nevada's new "public option" health care plan for failing to secure a two-thirds legislative vote as Nevada's constitution requires. The supermajority requirement to raise revenue was championed by NTU in the 1990s. A judge has dismissed our case on standing grounds and we are appealing.

In *NTU v. California Franchise Tax Board*, we challenged a new law signed by California Governor Gavin Newsom that retroactively increases business taxes going back to 1957 by changing business tax apportionment. Retroactivity undermines public respect for the law and belief that the system is fair, and we seek a ruling that retroactive tax increases are unconstitutional. A Sacramento judge granted summary judgment to the government and we are appealing.



National Taxpayers Union Foundation attorneys Joe Bishop-Henchman and Tyler Martinez accurately predicted how the justices would rule after listening to oral arguments late last year in the Learning Resources, Inc. v. Trump *case on International Emergency Economic Powers Act tariffs.*

A planned case in New York ended with the state backing down. New York's so-called convenience of the employer rule requires nonresidents working for New York businesses to pay tax to New York unless they prove (to New York) their out-of-state location isn't merely convenient. No one has ever prevailed in proving that to New York. We represented a Missouri resident who paid New York taxes for years but had a labor petition denied by New York for lack of connection to the state. The state may have recognized the weakness of its case when we took the first procedural step of demanding a refund of all taxes our client had paid: it paid them all back in full. We will continue to look for a case that can establish lasting favorable precedent.

In *Steele v. United States*, NTUF's Joe Bishop-Henchman is one of three co-plaintiffs challenging IRS license fees on paid tax preparers as illegal and excessive, and seeking refunds. In 2025, after several years of litigation, the court ordered the IRS to refund $168,700,624. Both sides have appealed, and these are pending. Each year the case has continued, the IRS hopes to make it go away by reducing the fee (between 2014 and 2025, it dropped steadily from $64.25 to $19.75), perhaps the only fee in the entire federal government that goes down each year.

By inserting the taxpayer voice in cases and bringing tax law expertise, we have developed a reputation for providing unique insights on other major cases. In total, TDC submitted 16 briefs over the course of 2025, including:

- Refuting the government's economic evidence for tariffs in *Learning Resources v. Trump*
- Explaining that a 95% "tax" on pharmaceutical companies that refuse to accept price controls is actually an excessive penalty in

violation of the Eighth Amendment in *Bristol Myers and Janssen v. HHS* and *Boehringer Ingelheim Pharmaceuticals v. HHS*

- Protesting dragnet data collection by tax authorities in *Harper v. Werfel*
- Arguing against expansive "economic substance" rewriting of IRS rules in *Liberty Global v. United States* and *Patel v. Commissioner of Internal Revenue*
- Fighting a ban on businesses listing taxes on their customer invoices in *Chamber of Commerce v. Lierman*.

The powerful Multistate Tax Commission—known for advocating that states can tax far beyond their borders—has highlighted NTUF's actions and amicus briefs as something that states need to monitor and respond to.

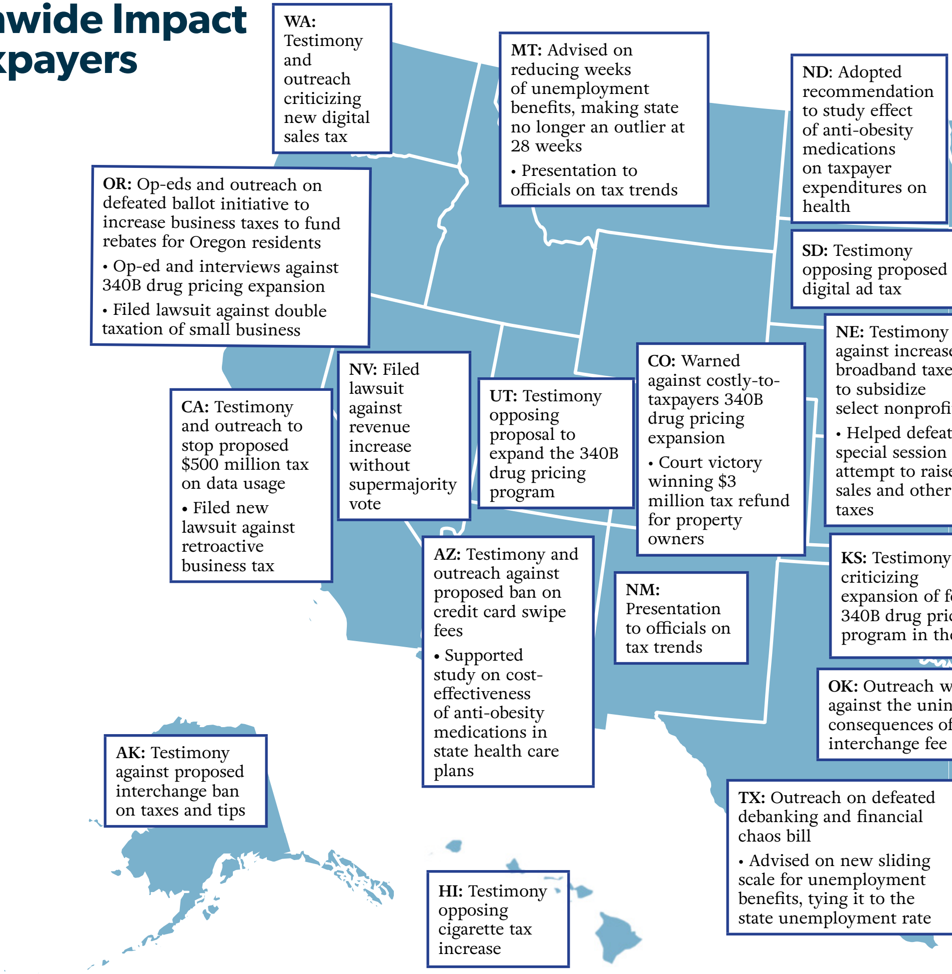
During the government shutdown, we hosted two well-attended lunches for Hill staff, one centered on our 2025 No Brainers Report and another on the tariff cases before the U.S. Supreme Court. Across both events, staff turnout was strong, engagement was high, and participants expressed genuine appreciation for the new insights. From left: NTU Executive Vice President Brandon Arnold, NTU Free Trade Initiative Director Bryan Riley, NTUF Executive Vice President Joe Bishop-Henchman and NTUF Director of Litigation Tyler Martinez.

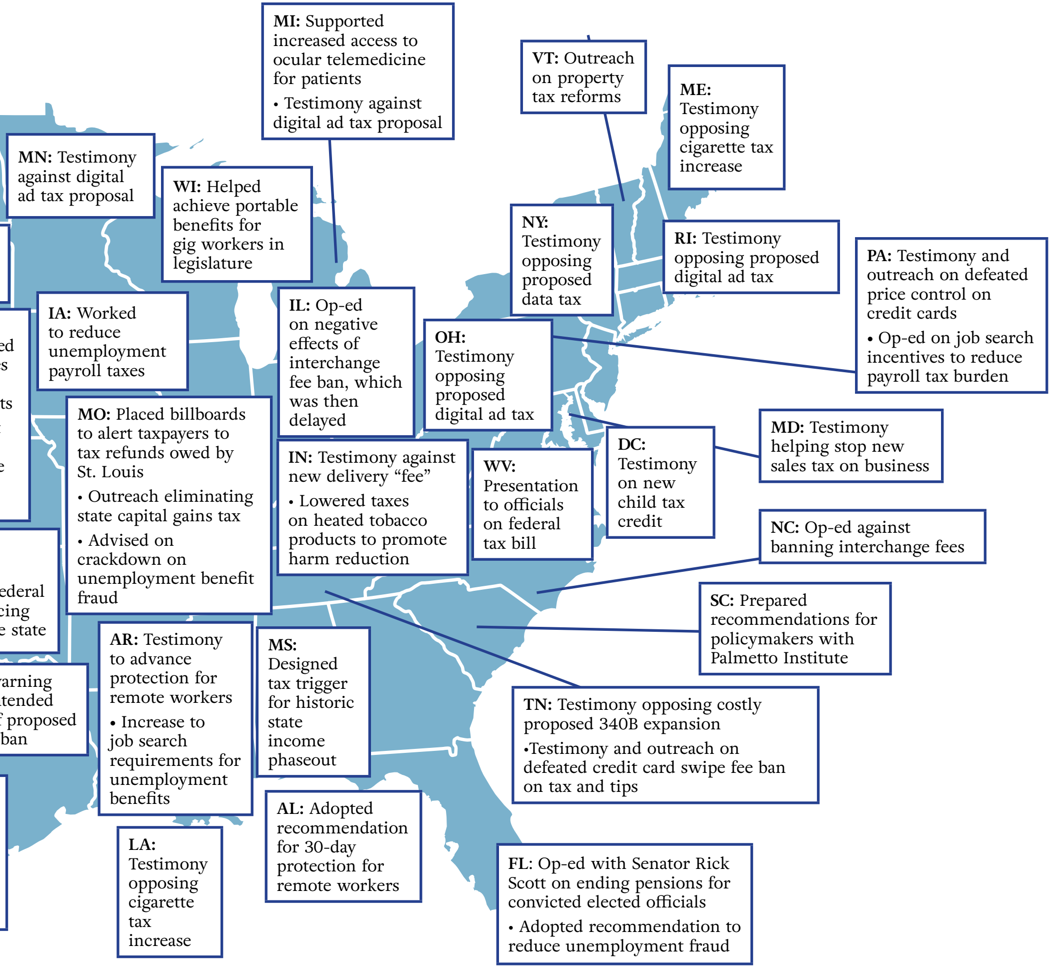
Debbie Jennings, Pete Sepp, Brandon Arnold, Demian Brady, and Joe Bishop-Henchman (taking the picture) met with then acting IRS Commissioner Michael Faulkender about IRS modernization and tax reform at the U.S. Treasury Department in early May.

Director of State Policy Andrew Wilford (right) testified before the Arkansas House Committee on Revenue and Taxation in favor of remote worker friendly policies.

President Pete Sepp (center) took the message of tax reform to multiple audiences, including CPAC 2025, appearing on a panel with Andrew Langer (Left) and Sandra Asuncion (Right).

Nationwide Impact for Taxpayers




MI: Supported increased access to ocular telemedicine for patients
• Testimony against digital ad tax proposal
VT: Outreach on property tax reforms
ME: Testimony opposing cigarette tax increase
MN: Testimony against digital ad tax proposal
WI: Helped achieve portable benefits for gig workers in legislature
NY: Testimony opposing proposed data tax
RI: Testimony opposing proposed digital ad tax
PA: Testimony and outreach on defeated price control on credit cards
• Op-ed on job search incentives to reduce payroll tax burden
IA: Worked to reduce unemployment payroll taxes
IL: Op-ed on negative effects of interchange fee ban, which was then delayed
OH: Testimony opposing proposed digital ad tax
MO: Placed billboards to alert taxpayers to tax refunds owed by St. Louis
• Outreach eliminating state capital gains tax
• Advised on crackdown on unemployment benefit fraud
IN: Testimony against new delivery "fee"
• Lowered taxes on heated tobacco products to promote harm reduction
WV: Presentation to officials on federal tax bill
DC: Testimony on new child tax credit
MD: Testimony helping stop new sales tax on business
NC: Op-ed against banning interchange fees
SC: Prepared recommendations for policymakers with Palmetto Institute
AR: Testimony to advance protection for remote workers
• Increase to job search requirements for unemployment benefits
MS: Designed tax trigger for historic state income phaseout
TN: Testimony opposing costly proposed 340B expansion
•Testimony and outreach on defeated credit card swipe fee ban on tax and tips
LA: Testimony opposing cigarette tax increase
AL: Adopted recommendation for 30-day protection for remote workers
FL: Op-ed with Senator Rick Scott on ending pensions for convicted elected officials
• Adopted recommendation to reduce unemployment fraud

Audited NTU Financials

Revenue	2021	2022	2023	2024	2025
Grants and contributions	$3,203,723	$4,559,962	$3,879,104	$4,895,332	$5,929,652
Interest and dividends	$49,351	$30,746	$86,404	$94,430	$66,188
Total, Revenue	$3,253,074	$4,590,708	$3,965,508	$4,989,762	$5,995,840
Expenses	2021	2022	2023	2024	2025
Programs	$1,569,228	$1,650,022	$2,299,866	$2,058,151	$2,819,657
Lobbying	$344,354	$587,004	$382,875	$428,993	$387,813
Management and general	$305,034	$128,400	$550,098	$599,624	$392,635
Fundraising	$340,574	$359,286	$368,313	$435,324	$323,540
Total, Expenses	$2,559,190	$2,724,712	$3,601,152	$3,522,092	$3,923,645
Surplus/(Deficit)	$693,884	$1,865,996	$364,356	$1,467,670	$2,072,195
Unrealized change in net	$134,836	($232,628)	$81,122	$84,011	$234,450
Total, Change in Net Assets	$828,720	$1,633,368	$445,478	$1,551,681	$2,306,645
Total, Net Assets at End of Year	$5,049,822	$ 6,683,190	$7,128,667	$8,680,349	10,986,994

NATIONAL TAXPAYERS UNION

Audited NTUF Financials

Revenue	2021	2022	2023	2024	2025
Grants and contributions	$2,159,305	$2,309,299	$2,697,967	$2,808,902	$2,868,150
Interest and dividends	$31,808	$23,778	$50,513	$87,549	$38,552
Total, Revenue	$2,191,113	$2,333,077	$2,748,480	$2,896,451	$2,906,702
Expenses	2021	2022	2023	2024	2025
Programs	$1,079,847	$1,025,429	$1,267,466	$1,829,477	$2,651,092
Management and general	$210,221	$399,095	$506,221	$325,512	$192,434
Fundraising	$95,394	$118,065	$126,432	$106,182	$98,483
Total, Expenses	$1,385,462	$1,542,589	$1,900,119	$2,261,171	$2,942,009
Surplus/(Deficit)	$805,651	$790,488	$848,361	$635,280	$(35,307)
Unrealized change in net	$86,013	($185,988)	$53,847	$20,386	$181,844
Total, Change in Net Assets	$891,664	$604,500	$902,208	$655,666	$146,537
Total, Net Assets at End of Year	$3,301,354	$3,905,854	$4,808,062	$5,463,728	$5,610,265

NTUF
NATIONAL TAXPAYERS UNION FOUNDATION

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We are proud to be the only free-market organization for taxpayers that unites effective advocacy with useful research about how to limit taxes, spending, and regulation at every level and branch of government—state, federal, administrative, and judicial.

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