SENATE REPEALS FEDERAL “TAX ON TALKING” – BILL SENT TO PRESIDENT

Today, the Senate approved a bill including language to repeal the 3% federal excise tax on telecommunications.

The legislation would fully repeal the “Tax on Talking” and was contained in the appropriations bill for the Legislative Branch, Treasury Department, and General Government Services for fiscal year 2001. The measure passed the Senate by a vote of 58-to-37. Two weeks earlier, the legislation was narrowly approved by the House of Representatives (212 – 209).

The federal excise tax was originally imposed in 1898 as a “temporary luxury tax” on telephones to fund the Spanish-American War. CTIA has long called for a repeal of this antiquated, anti-Internet, and regressive tax. All told, repeal will cut taxes to telecommunications consumers by more than $50 billion over the next decade.

Passage by the Senate culminates several months of hard work by CTIA and “Tax on Talking” Coalition partners to put an end to a regressive tax that has been levied on consumers in three centuries. CTIA is cautiously optimistic that the President will sign the bill into law.