



NEWS

AMERICANS FOR TAX REFORM

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Internet Tax Endangers Massachusetts Economy

--Tax on Internet travel services would hurt Massachusetts tourism and small businesses --

WASHINGTON, D.C. – Massachusetts House Bill 4485 includes provisions that may be detrimental to the Massachusetts economy. According to Sections 48 and 49 of the bill, a new tax on Internet hotel reservations would be imposed. The senate version of the bill does not include these provisions.

Critics fear that a tax on Internet travel services would hurt Massachusetts' third largest industry – tourism. Restaurants, entertainment venues, and other small businesses that depend upon tourism may be affected as well.

“With the economic boom of e-commerce, it would be ridiculous to implement these provisions. The Internet has been beneficial for both consumers and businesses by adding efficiency,” said Grover Norquist, president of Americans for Tax Reform. **“Imposing a tax on Internet hotel reservations would not only hinder technological innovation, but also harm businesses and industries that are vital to the state of Massachusetts.”**

According to critics, House Bill 4485 sets a dangerous tone by opening the doors to future Internet taxation, which would have a negative impact on industries that conduct business over the Internet. The Massachusetts House and Senate are currently in conference to work out differences in legislation.

“House Bill 4485 will open the flood gates to a multitude of taxation,” continued Norquist. **“I applaud the Massachusetts Senate for rejecting the tax on Internet travel services and as conference continues, I hope they will continue to support Massachusetts taxpayers by opposing Sections 48 and 49 of House Bill 4485.”**

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all tax increases. For more information or to arrange an interview please contact Jonathan Collegio at (202) 785-0266 or by email at jcollegio@atr.org.