



# NEWS

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## **Taxpayers Win!!! President Signs Internet Tax Moratorium Extension**

WASHINGTON, DC – President Bush today signed S. 150, the Internet Tax Nondiscrimination Act, which would extend the Internet tax moratorium for three years. The moratorium had been expired for a year, and states and localities were free to begin imposing taxes on Internet access.

Congressional action on the extension had been stalled by members of Congress who wanted to preserve their states' ability to impose taxes on Internet access, and S. 150 as originally passed by the Senate preserved "grandfathering" of several states including Wisconsin, permitting them to tax the Internet. Through the leadership of Sen. George Allen (R-VA), Rep. Chris Cox (R-CA) and Rep. Jim Sensenbrenner (R-WI), the Senate passed a resolution earlier this week to eliminate the Internet access tax in Wisconsin, although due to the efforts of liberal Sen. Herb Kohl (D-WI), the Senate was forced to accept a two-year phase out.

"This is a great victory for the taxpayer movement," said taxpayer advocate Grover Norquist. "With an extension of the Internet tax moratorium the Internet can continue to grow and flourish unencumbered by the same web of taxation that has burdened telecommunications for a century."

The House version, H.R. 49, provided for a permanent extension of the ban. It is not yet known whether Congress will attempt a permanent ban in the coming 109<sup>th</sup> Congress.

"The final version of this bill isn't perfect," continued Norquist, "but without the real leadership that was shown by both the President and members of Congress to get this bill passed before adjournment, we might have seen thousands of jurisdictions standing in line to tax the Internet for Christmas."

*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 [cbutler@atr.org](mailto:cbutler@atr.org).*