



NEWS

AMERICANS FOR TAX REFORM

1920 L Street, NW • Suite 200 • Washington, DC 20036
202.785.0266 • Fax 202.785.0261

WWW.ATR.ORG

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CONTACT: Liz Hackett
Rebekah Miller
202-785-0266

Americans for Tax Reform Opposes \$550 Million Phone Tax

Initiative means another hike in phone bills

Washington D.C. -- In California, an initiative to add a phone tax proposal to the November 2004 ballot has been certified, according to the Secretary of State. If passed, the tax proposal would raise phone bills by 3%.

The additional cost would be added to the 911 surcharge already on telephone bills. While the measure caps the tax increase at 50 cents per residential phone user each month, cell phone users and businesses would see an across the board increase of 3%.

“No matter what you call it or what it claims to fund, it is still another tax. Solutions to health care are not found by adding more taxes on hardworking people,” said Grover Norquist, President of Americans for Tax Reform.

The “Coalition to Preserve Emergency Health Care” insists that the phone tax is necessary in order to keep emergency rooms open across the state. Opponents argue that placing a tax on phone users does nothing to reform a struggling health care system.

“The health care system needs reform, *not* taxes,” Norquist continued. **“Why does every phone call to Grandma have to be taxed when California’s Health & Human Services Agency’s budget is already \$64.8 billion? There has to be money there to keep a few emergency rooms open. Gov. Schwarzenegger is working to build the California economy by keeping and creating new jobs, not driving them out of the state with additional taxes,”**

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