



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: Jonathan Collegio
202-785-0266

Conservative Weekly Standard Advocates New Internet Tax. Taxpayers and Innovators Outraged.

Weekly Standard Article Supports Elimination of Moratorium on Internet Access Taxes.

WASHINGTON — In an article published by *The Weekly Standard*, Christopher Caldwell states that it is time to retire “the (in retrospect) absurdly named Internet Tax Freedom Act of 1998, which placed a moratorium on certain Internet taxes, and was extended in 2001 until November of this year.” **Americans for Tax Reform strongly opposes this point of view and believes the statement made by Caldwell is nonsense.**

“Christopher Caldwell and *The Weekly Standard* are on the wrong side of this issue,” said Grover Norquist, President of ATR. **“If the ban on Internet access taxes and multiple and discriminatory taxes is eliminated, it will mean a de facto tax increase on Americans at a time when they are least able to pay it. Not only that, the new tax will hit schools, libraries, hospitals and families - those who use the Internet for research, education and, most critically, communication.”**

In 1998 Congress acted to put to an end taxes that unfairly single out the Internet. The legislation eliminated taxes on Internet access, double-taxation of a product or service bought over the Internet, and discriminatory taxes that treated Internet purchases differently from other types of sales. However, the current moratorium is scheduled to expire on November 1, 2003 and Congress is currently working to pass legislation that permanently extends the moratorium.

“Mr. Caldwell claims that, ‘it was always unfair not to tax business on the Internet,’ and that ‘there is no reason Amazon.com should enjoy a pricing advantage over a corner bookstore,’” said Norquist. **“Unfortunately, the author does not mention that the corner bookstore receives services, such as police and fire protection, for collecting a local sales tax on the goods that it sells. Therefore, it is blatantly unfair for Mr. Caldwell to suggest that the government force Amazon to collect a sales tax for services that it will never receive.”**

The Internet Tax Freedom Act of 1998 and the extension of the legislation continues to allow individuals and small businesses that could not afford access to the Internet to share in the wealth of opportunities that the World Wide Web has offered. Main Street business and merchants have set up shops online to expanded their businesses to a universe of customers far beyond their current geographic locations.

This represents just one of the many positive outcomes of the Internet Tax Freedom Act. To institute a new tax on Internet access would severely harm the economy and lead to further loss of jobs. It is unfortunate that *The Weekly Standard* supports that view.

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 e-mail at jcollegio@atr.org.