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WASHINGTON, D.C. - Today, Congresswoman Anna G. Eshoo, D-Palo Alto, introduced H.R. 743, the Permanent Internet Tax Freedom Act of 2007. The bipartisan legislation seeks to permanently extend the moratorium on Internet access taxes and duplicative and discriminatory taxes on Internet commerce.

"Americans across the country utilize the Internet for communication, commerce, business, education and research," Eshoo said. "Because of the tremendous value it brings to all aspects of our lives, we need to encourage its usage and do everything we can to ensure that Internet access is universal."

Congress first instituted the temporary moratorium in 1998 to encourage growth of online commerce. In 2004, Congress extended the moratorium for an additional three years, which is scheduled to expire in November of this year.

"Passage of this legislation will ensure, once and for all, that the growth of Internet access and e-commerce will not be hampered by unwarranted taxation," said Eshoo, a Member of the House Energy and Commerce Subcommittee on Telecommunications and the Internet.

H.R. 743 was introduced with 34 original cosponsors.

[Click here to read H.R. 743.](#)

Eshoo Statement

Rep. Eshoo entered the following statement into the Congressional Record upon the introduction of H.R. 743.

"Madam Speaker, I'm proud to introduce the Permanent Internet Tax Freedom Act of 2007. This legislation completes the work begun by Congress in 1998, by permanently banning discriminatory or duplicative state or local taxes on Internet access and e-commerce.

"When Congress first instituted a temporary moratorium in 1998, the goal was to promote the growth of online commerce and encourage universal access. This policy has been a resounding success, fostering growth in productivity and innovation and widening public access to information. A 2006 report by the Pew Internet and American Life Project

demonstrated that 73% of those polled were Internet users, up from 66% in a similar 2005 survey. While Americans use the Internet for a myriad of reasons, e-commerce has particularly flourished and continues to grow at an exceptional rate. In 2006 alone, online retail exceeded \$100 billion, increasing 24 percent over 2005.

"Despite the successes we have seen, there is still much work to be done. Internet usage still lags behind in rural and lower income areas and the United States has fallen from 4th to 16th in broadband penetration worldwide since 2001. In order to reverse this trend, we need to ensure that access costs are kept to a minimum. Prohibiting unnecessary access taxes will help accomplish this goal.

"We also need to allow unfettered access to the products and new services that are only available through the Internet and prevent multiple layers of state and local taxes. Otherwise, we will open the door to a myriad of barriers to Internet commerce that will drive consumers from a web-based marketplace and stifle innovation.

"Congress twice passed extensions to the moratorium in 2001 and again in 2004. Unfortunately, in November of this year the most recent extension will expire. Should Congress fail to renew this moratorium the continued growth and progress in Internet access and e-commerce will be endangered.

"I urge my colleagues to join me in supporting my efforts to make this moratorium permanent and finally assure consumers that their Internet access and e-commerce will remain unhindered by discriminatory and duplicative taxes."

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