



NEWS

AMERICANS FOR TAX REFORM

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Repeal of the Spanish-American War Tax Now Has 218 Cosponsors

Majority of House of Representatives signs on to end 108-year-old tax on talking

WASHINGTON – H.R. 1898, which would repeal the 3% federal excise tax on telecommunications, a 108-year-old “temporary” tax enacted to fund the Spanish-American War, gained its 218th cosponsor this week. A majority of the House is now cosponsoring the legislation.

While the Spanish-American War tax was originally billed as a luxury tax in 1898, when only the wealthiest Americans had phones, the telephone is now a ubiquitous part of American life. The tax is therefore highly regressive, as it represents a greater share of the income of low-income and minority households.

In 2000, the House of Representatives passed legislation repealing the Spanish-American War tax by a vote of 420-2, and both houses of Congress passed appropriations legislation including the repeal in the same year. President Bill Clinton, however, vetoed the legislation.

“This is a real benchmark in the battle to finally end this tax,” said taxpayer advocate Grover Norquist. **“Now a majority of the House would not only vote to repeal the tax, but have proactively signed on as cosponsors. Repealing the Spanish-American War tax this year would be a real feather in the cap of the 109th Congress.”**

The Senate companion to H.R. 1898, S. 1321, sponsored by Sen. Rick Santorum (R-PA), has been reported favorably by the Finance Committee and awaits a full Senate vote. However, the Constitution requires that the House pass tax legislation before the Senate may act.

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 Christopher Butler at (202) 785-0266 or by email at cbutler@atr.org.