



NEWS

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TAXPAYERS WIN!!!

Secretary Snow Announces End to Long Distance Telephone Excise Tax

Voices support for full repeal of the Spanish-American War tax

WASHINGTON – Treasury Secretary John Snow announced this morning that the Internal Revenue Service (IRS) would no longer collect the federal long distance telephone excise tax, part of a 108-year-old “temporary” tax enacted to fund the Spanish-American War in 1898. Following eleven consecutive losses by the IRS before the federal courts, the IRS will issue refunds of tax on long-distance service for the past three years.

While the Spanish-American War tax was originally sold to the American people 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 poorer Americans.

Secretary Snow also voiced his support for full repeal of the Spanish-American War tax, saying, **“In addition to ending the litigation, I would like to call on Congress to terminate the remainder of this antique tax by repealing the excise tax on local service as well.”**

“I applaud the Treasury for doing away with this illegal tax,” said taxpayer advocate Grover Norquist, president of Americans for Tax Reform. **“The next logical step is for Congress to enact a full repeal of this antiquated, unfair and unpopular tax. Full repeal is a major priority of the taxpayer movement, and I am pleased to have Secretary Snow’s support in that effort**

Legislation is pending in both houses of Congress to repeal the Spanish-American War tax. H.R. 1898 in the House, sponsored by Rep. Gary Miller (R-CA) currently has 184 co-sponsors.

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.