



NEWS

AMERICANS FOR TAX REFORM

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**Tax Committee in South Dakota State House Stops
3.5 Percent Tax Increase on Telecom Services**
Bill would have cost taxpayers one million dollars

WASHINGTON- Yesterday, the Taxation Committee in the South Dakota state house voted 12-2 to defeat a bill to reform the telecommunications tax structure in the state.

If it had been passed, HB 214 would have resulted in a net tax increase of \$1 million for the state's taxpayers. Under the provisions of the bill, all telecommunications customers would have had a tax increase of 3.5 percent on all telecommunications services.

"Fortunately for the taxpayers of South Dakota, the state House Taxation Committee was wise enough to vote to kill this bill," said Grover Norquist, President of Americans for Tax Reform (ATR). "The legislature argued that this bill only amounted to a change in the way companies are taxed, but in fact, it moved the tax from the business industry onto the consumer and their phone bill. Haven't the politicians figured out yet that the citizens of this country are over taxed? The average American now spends more in taxes than on food, clothing, and shelter combined."

"Each and every time a citizen or a business makes a phone call or uses any other telecommunications services, they would have been affected by this 3.5 percent tax increase," added Heidi Blumenthal, Director of Technology Policy at ATR. "In the end, the increased cost to businesses will be passed along to the consumers. In effect, the consumers would have ultimately paid for the entire tax through their own personal use of telecommunications services and for the use of these same services by businesses."

"Ten members of the South Dakota state legislature have signed our Pledge saying they won't raise taxes," Norquist declared. "We will be watching the legislature in South Dakota because a tax increase of this sort could rear its head again."

Americans for Tax Reform is a non-partisan coalition of taxpayers and taxpayer groups who oppose all federal and state tax increases. For more information or to arrange an interview please contact Chad Cowan at (202)785-0266 or by email at ccowan@atr.org.

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