

Coalition Letter in Favor of a Permanent Internet Tax Moratorium

Dear Senators,

On behalf of the undersigned, we encourage you to pass a clean permanent extension of the Internet Tax Moratorium, and commend the House of Representatives on passage of H.R. 3086, the Permanent Internet Tax Freedom Act (PITFA).

Senators John Thune (R-S.D.) and Ron Wyden (D-Ore.) have introduced S. 1432, the Internet Tax Freedom Forever Act (ITFFA), which mirrors the House language. **Both ITFFA and PITFA reauthorize and make permanent legislation that has been U.S. national policy since 1998.** The clean Internet access tax moratorium overwhelmingly passed the House, and similarly a clean ITFFA will easily pass the Senate, and again protect unfettered access to Internet connections.

Americans would be overjoyed to see Congress agree, and pass, legislation that protects consumers from increased costs when accessing and using the Internet, and protects them from discriminatory or duplicative taxation of Internet commerce.

Taxes on communications services are already punitive and discriminatory. The average sales tax rate on voice services is 17 percent, and 12 percent on video services, while the average general sales tax rate is 7 percent. A clean ITFFA would at the very least prevent this targeted tax on Internet access.

Excessive taxes will hinder continued growth in the digital space. The FCC's National Broadband Plan states that the largest barrier to consumer adoption and expanded use of Internet based services is cost. Allowing the Internet access tax moratorium to lapse would certainly lead to higher tax rates on consumers and thus reduce the rate of adoption and innovation. The Internet is our greatest gateway to innovation and education, higher taxes on Internet access undermines American economic competitiveness and growth.

We encourage the Senate to act now to permanently extend the Moratorium on Internet Access Taxes.

Sincerely,

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