

1 **RESOLUTION URGING CONGRESSIONAL**
2 **REPEAL OF FEDERAL EXCISE TAX ON**
3 **TELECOMMUNICATIONS**

4 2006 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: LaVar Christensen**

7 Senate Sponsor: Curtis S. Bramble

8
9 **LONG TITLE**

10 **General Description:**

11 This joint resolution of the Legislature urges Utah's congressional delegation to support
12 the repeal of the federal excise tax on telecommunications.

13 **Highlighted Provisions:**

14 This resolution:

15 ▶ urges members of Utah's congressional delegation to support the repeal of the
16 federal excise tax on telecommunications.

17 **Special Clauses:**

18 None

19
20 *Be it resolved by the Legislature of the state of Utah:*

21 WHEREAS, the federal excise tax on communications was enacted in 1898 for the
22 purpose of funding the Spanish American War;

23 WHEREAS, the tax was introduced as a "temporary" luxury tax;

24 WHEREAS, telephone service is no longer a luxury, but rather a necessity for
25 consumers of all income levels;

26 WHEREAS, the federal excise tax is regressive, as low income Americans pay a higher
27 percentage of their income for telephone services than high-income Americans;



28 WHEREAS, telecommunications services are the infrastructure upon which new
29 technologies, including the Internet, depend;

30 WHEREAS, the telecommunications excise tax discourages expansion of both the
31 telephone infrastructure and new technologies;

32 WHEREAS, the federal excise tax on telecommunications flows into the general fund
33 rather than being earmarked for a specific purpose; and

34 WHEREAS, both houses of Congress passed a repeal of the federal excise tax on
35 telecommunications in 2000, but it was vetoed by President Clinton:

36 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah
37 requests that the members of Utah's congressional delegation support the repeal of the federal
38 excise tax on telecommunications.

39 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the majority
40 leader of the United States Senate, the Speaker of the United States House of Representatives,
41 and to the members of Utah's congressional delegation.

Legislative Review Note
as of 1-23-06 9:55 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel