



AMERICANS FOR TAX REFORM

LEGISLATIVE ALERT

1920 L STREET, N.W. - SUITE 200 - WASHINGTON, D.C. 20036 - 202-785-0266 - [HTTP://WWW.ATR.ORG](http://www.ATR.org)

ATR STRONGLY SUPPORTS THE ALLEN INTERNET TAX AMENDMENT TO S. 2686

Americans for Tax Reform strongly supports the expected amendment by Senator George Allen (R-VA) to S. 2686, the Communications, Consumer's Choice, and Broadband Deployment Act of 2006 to permanently extend the Internet tax moratorium. This measure is necessary to ensure further growth in one of the most innovative sectors of the American economy. Prohibiting Internet taxation is a major priority of the taxpayer movement.

The Internet Tax Non-Discrimination Act, signed by President Bush on December 3, 2004, extended the Internet Tax Freedom Act, prohibiting taxes on Internet access. Unfortunately, the moratorium will expire in 2007, opening the door for pro-tax forces to again target Internet access as a source of revenue. A permanent moratorium will end the uncertainty under which Internet providers and users must now operate, allowing the Internet to continue to flourish.

Without a permanent ban on Internet taxation, states and localities might one day be free to subject the Internet to the same labyrinth of taxes that has strangled telecommunications for a century. Such a tax would have a disastrous effect on the rapid innovation that has defined the Internet for over a decade.

ATR STRONGLY SUPPORTS THE ALLEN AMENDMENT TO S. 2686 TO PERMANENTLY EXTEND THE INTERNET TAX MORATORIUM