



AMERICANS FOR TAX REFORM

# LEGISLATIVE ALERT

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## **ATR STRONGLY SUPPORTS S. 1321, REPEAL OF THE SPANISH-AMERICAN WAR TAX, AND WILL RATE A FLOOR VOTE FOR S. 1321 AS A VOTE FOR TAXPAYERS**

**Americans for Tax Reform strongly supports S. 1321, repealing the Spanish-American War tax on telephones.** The bill would end the 107-year-old tax on talking, enacted to fund the Spanish-American War.

In 1898, Congress enacted a “temporary” tax on telephones to fund the American war effort to free Cuba from Spanish rule. Since only the wealthiest Americans had telephones in 1898, the tax was sold to the American people as a luxury tax. However, in 2005 there are more telephones in America than people, and the tax has become highly regressive, affecting low income and minority households especially.

The tax does not fund any specific purpose, as some erroneously claim, but instead goes into the general fund.

In 2000, the House passed legislation repealing the tax by an overwhelming 420-2 and both houses of Congress passed appropriations legislation including repeal the same year, but the bill was ultimately vetoed by then President Bill Clinton.

## **ATR STRONGLY SUPPORTS S.1321 AND WILL RATE A FLOOR VOTE FOR S. 1321 AS A VOTE FOR TAXPAYERS**