

Senators Cassis, Birkholz, Kuipers, Patterson, Goschka, McManus, Allen, Garcia, Brown and Van Woerkom offered the following concurrent resolution:

Senate Concurrent Resolution No. 4.

A concurrent resolution to memorialize the Congress of the United States to repeal the federal excise tax on telephone and other communications services.

Whereas, The federal tax on telephone service was put in place in 1898 as a temporary luxury tax on the new technology of the telephone. At that time, the government needed money to help pay for the Spanish-American War. Over the past century, this tax, which is now three percent, has been changed many times; and

Whereas, Recently, a focal point of tax policy has been the question of taxing another emerging communications technology, the Internet. This discussion has caused some observers to reexamine the nature of certain taxes. There is a strong parallel between the notion of taxing some aspect of the Internet and the tax applied to the telephone a century ago; and

Whereas, The federal excise tax on telephone services provides an example of poor public policy. This tax is regressive in that all taxpayers, regardless of ability to do so, pay the same rate even though a phone is a necessity of modern life. Unlike other federal excise taxes, the telephone tax is not an attempt to reduce public use of a product like tobacco or alcohol that can be harmful and is not needed. In addition, the money raised from this excise tax does not go to any specific purpose related to telecommunications; now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That we memorialize the Congress of the United States to repeal the federal excise tax on telephone and other communications services; and be it further

Resolved, That copies of this resolution be transmitted to the President of the United States Senate, the Speaker of the United States House of Representatives, and the members of the Michigan congressional delegation.