Resolution to Support Congressional Efforts to Ban Internet Access Taxes

Summary: This resolution supports a permanent Internet access tax moratorium. The current moratorium will expire November 1, 2007. This resolution recognizes that taxing Internet access would slow broadband deployment, particularly in rural and low-density areas, would decrease telework opportunities, and widen the digital divide.

Model Resolution

WHEREAS, it is the mission of the American Legislative Exchange Council to advance Jeffersonian principles of free markets, limited government, federalism and individual liberty, and

WHEREAS, broadband Internet access for all Americans is an important public policy objective, and

WHEREAS, taxing Internet access will have a chilling effect on broadband investment into rural and low-density areas where fewer consumers will buy a higher-priced product, and

WHEREAS, less deployment in rural and low-density areas means fewer people can telework, which would reduce personal quality of life and the public good effects, such as reducing commuting traffic and pollution, and

WHEREAS, taxing Internet access widens the digital divide and limits the economic and educational opportunities available to lower-income Americans, as only 11 percent of households with incomes below $30,000 have broadband service compared to 61 percent of households with incomes above $100,000, and

WHEREAS, taxing Internet access raises costs for distance learning, interactive medicine, and new online business models, and

WHEREAS, hidden taxes on backbone Internet transport increase costs to consumers and have the same impact as direct taxes on Internet access, and

WHEREAS, the current federal moratorium on Internet access taxes will expire on November 1, 2007, and

WHEREAS, extending or making permanent the current moratorium on Internet access taxes would have substantial positive downstream effects for Internet infrastructure and services throughout the country.

NOW, THEREFORE, BE IT RESOLVED that ALEC supports a permanent ban on direct and hidden taxes on Internet access.

BE IT FURTHER RESOLVED that ALEC urge the U.S. Congress to act quickly to enact new legislation to ban Internet access taxes before the current moratorium expires.

BE IT FURTHER RESOLVED that ALEC shall convey its support to the members of Congress and the Executive Branch.