

SENATE BILL REPORT

SJM 8037

As Reported By Senate Committee On:
Technology & Communications, February 2, 2004

Brief Description: Requesting that the congressional delegation of the state of Washington work to pass a permanent ban on Internet access taxes.

Sponsors: Senators Benton, Roach, Swecker and Esser.

Brief History:

Committee Activity: Technology & Communications: 1/29/04, 2/2/04 [DPS].

SENATE COMMITTEE ON TECHNOLOGY & COMMUNICATIONS

Majority Report: That Substitute Senate Joint Memorial No. 8037 be substituted therefor, and the substitute joint memorial do pass.

Signed by Senators Schmidt, Chair; Esser, Vice Chair; McCaslin and Stevens.

Staff: William Bridges (786-7424)

Background: In 1998, Congress placed a temporary moratorium on internet taxes. Called the Internet Tax Freedom Act, the law temporarily prohibited state and local governments from imposing any new taxes on internet access or other multiple or discriminatory taxes on electronic commerce. A grandfather provision allowed states that had internet taxes in 1998 to continue those taxes. The moratorium expired on November 1, 2003.

Congress continues to debate extending the moratorium on internet taxes. In September 2003, the U.S. House of Representatives passed House Bill 49, the Internet Tax Nondiscrimination Act. The bill permanently extends the moratorium on internet access or other multiple or discriminatory taxes on electronic commerce. The grandfather provision is also eliminated.

The U.S. Senate is also considering a permanent moratorium in Senate Bill 150, also named the Internet Tax Nondiscrimination Act. There has been no final vote on the Senate bill.

Summary of Substitute Bill: The joint memorial is directed to the President of the United States, the Speaker of the House of Representatives, and each member of Congress from the state of Washington requesting the Congress "pass a permanent and technologically neutral extension of the internet tax moratorium."

Substitute Bill Compared to Original Bill: Provisions concerning the U.S. standard of living and parliamentary proceedings and negotiations in the U.S. Senate are removed. A "permanent and technologically neutral" extension of the tax moratorium is requested. The memorial is directed to the President of the U.S. Senate, Speaker of the House, and Washington's congressional delegation.

Appropriation: None.

Fiscal Note: Not requested.

Testimony For: None.

Testimony Against: None.

Testified: No one.