

Rep. Runestad offered the following resolution:

House Resolution No. 160.

A resolution to urge the Congress of the United States to make permanent a ban on the federal, state, and local taxation of internet access.

Whereas, The current moratorium on federal, state, and local taxation of internet access is scheduled to expire October 1, 2015. The Internet Tax Freedom Act of 1998 established a moratorium on taxing internet access or imposing discriminatory internet-only taxes. The moratorium on internet taxation has been extended several times—in 2001, 2004, 2007, and 2014. Congress must act to maintain the integrity and accessibility of the internet and make permanent the ban on taxing internet access; and

Whereas, Allowing the moratorium on internet taxation to be lifted would be detrimental to the U.S. economy. The internet is an economic tool that boosts production, creates jobs, and is a key driver of modern economic growth. Small and large businesses alike use the internet to reach out to their consumer base, and consumers rely on the internet to gain access to and find new businesses. Taxing internet access would have a direct and negative impact on consumer participation. The internet has not yet reached every American home, and an internet tax would slow growth of internet saturation nationwide; and

Whereas, Taxing access to the internet would be detrimental to the American people. The internet has been a tremendous tool for the dissemination of information and facilitates rapid communication. Taxing internet access places more barriers between the people who would benefit the greatest from internet access and the life-enhancing tools, like knowledge growth and skill development, the internet can provide. According to U.S. Census data, only 40 percent of individuals with less than a high school diploma have access to the internet compared to 92 percent of college graduates who have internet access. Lifting the moratorium on internet taxation would make it more difficult to reach this underserved population; and

Whereas, States and local governments have made it clear that they will place taxes on internet access if permitted. Allowing the moratorium on internet taxation to expire would permit current state and local telecommunication levies to be applied to internet service providers and allow the opportunity for new taxes to be enacted. States like Massachusetts have already issued statements advising internet providers on how to comply with state tax laws should the Internet Tax Freedom Act of 1998 be allowed to expire. State and local governments, starved of revenue, will use this opportunity to develop new internet-based taxes. Chicago, for example, recently implemented a 9 percent tax on streaming entertainment services, like Netflix and Spotify; now, therefore, be it

Resolved by the House of Representatives, That we urge the Congress of the United States to make permanent a ban on the federal, state, and local taxation of internet access; 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.