

105TH CONGRESS
2D SESSION

H. R. 4105

To establish a national policy against State and local interference with interstate commerce on the Internet, to exercise congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, to establish a national policy against Federal and State regulation of Internet access and online services, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 1998

Mr. COX of California introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committees on Commerce, Ways and Means, and Rules, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish a national policy against State and local interference with interstate commerce on the Internet, to exercise congressional jurisdiction over interstate commerce by establishing a moratorium on the imposition of exactions that would interfere with the free flow of commerce via the Internet, to establish a national policy against Federal and State regulation of Internet access and online services, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Internet Tax Freedom
3 Act”.

4 **SEC. 2. MORATORIUM ON CERTAIN TAXES.**

5 (a) AMENDMENT.—Title 4 of the United States Code
6 is amended by adding at the end the following:

7 **“CHAPTER 6—MORATORIUM ON CERTAIN TAXES**

“Sec.

“151. Moratorium.

“152. Advisory commission on electronic commerce.

“153. Legislative recommendations.

“154. Expedited consideration of legislative recommendations.

“155. Definitions.

8 **“§ 151. Moratorium**

9 “(a) MORATORIUM.—For a period of 3 years follow-
10 ing the date of the enactment of this chapter, neither any
11 State, nor any political subdivision thereof, shall impose,
12 assess, collect, or attempt to collect—

13 “(1) taxes on Internet access;

14 “(2) bit taxes; or

15 “(3) multiple or discriminatory taxes on elec-
16 tronic commerce.

17 “(b) EXCEPTION TO MORATORIUM.—(1) Subject to
18 paragraph (2), the moratorium in subsection (a)(1) shall
19 not apply to the following taxes (as applicable), as in effect
20 on the date of the enactment of this chapter, on Internet
21 access:

1 “(A) STATE OF CONNECTICUT.—Section 12–
2 407(2)(i)(A) of the General Statutes of Connecticut.

3 “(B) STATE OF WISCONSIN.—Section
4 77.52(2)(a)5 of the Wisconsin Statutes (1995–96).

5 “(C) STATE OF IOWA.—Section 422.43(1) of
6 the Code of Iowa (1997).

7 “(D) STATE OF NORTH DAKOTA.—North Da-
8 kota Century Code 57–39.2 and 57–34.

9 “(E) STATE OF SOUTH DAKOTA.—South Da-
10 kota Codified Law Annotated 10–45–5.

11 “(F) STATE OF NEW MEXICO.—New Mexico
12 Statutes Annotated 7–9–3.

13 “(G) STATE OF TENNESSEE.—Tennessee Code
14 Annotated 67–6–221, 67–6–102(23)(iii), and 67–6–
15 702(g).

16 “(H) STATE OF OHIO.—Chapter 5739 of the
17 Ohio Revised Code.

18 “(2)(A) Paragraph (1) shall apply with respect to a
19 tax referred to in such paragraph only if the referenced
20 State enacts, during the 1–year period beginning on the
21 date of the enactment of this chapter, a law to expressly
22 affirm that such tax is imposed on Internet access.

23 “(B) A State that satisfies the requirement specified
24 in subparagraph (A) shall be deemed to have satisfied
25 such requirement immediately after the enactment of this

1 chapter, except that such State may not impute penalties
2 or interest on any tax accrued during the period beginning
3 on the date of the enactment of this Act and ending on
4 the date such State satisfies such requirement.

5 “(c) APPLICATION OF MORATORIUM.—Subsection (a)
6 shall not apply with respect to the provision of Internet
7 access that is offered for sale as part of a package of serv-
8 ices that includes services other than Internet access, un-
9 less the service provider separately states that portion of
10 the billing that applies to such services on the user’s bill.

11 **“§ 152. Advisory Commission on Electronic Com-**
12 **merce**

13 “(a) ESTABLISHMENT OF COMMISSION.—There is es-
14 tablished a temporary commission to be known as the Ad-
15 visory Commission on Electronic Commerce (in this chap-
16 ter referred to as the ‘Commission’). The Commission
17 shall—

18 “(1) be composed of 31 members appointed in
19 accordance with subsection (b), including the chair-
20 person who shall be selected by the members of the
21 Commission from among individuals specified in
22 subsection (b); and

23 “(2) conduct its business in accordance with the
24 provisions of this chapter.

25 “(b) MEMBERSHIP.—

1 “(1) IN GENERAL.—The Commissioners shall
2 serve for the life of the Commission. The member-
3 ship of the Commission shall be as follows:

4 “(A) Three representatives from the Fed-
5 eral Government comprised of the Attorney
6 General, the Secretary of Commerce, and the
7 Secretary of the Treasury, or their respective
8 representatives.

9 “(B) Fourteen representatives from State,
10 local, and county governments comprised of 2
11 representatives each from the National Gov-
12 ernors’ Association, the National Conference of
13 State Legislatures, the Council of State Govern-
14 ments, the National Association of Counties,
15 the National League of Cities, and the United
16 States Conferences of Mayors; and 1 represent-
17 ative each from the International City/County
18 Management Association and the American
19 Legislative Exchange Council.

20 “(C) Fourteen representatives of taxpayers
21 and business—

22 “(i) 7 of whom shall be appointed
23 jointly by the Speaker of the House of
24 Representatives and the majority leader of
25 the Senate, of whom 3 shall be individuals

1 employed by or affiliated with persons en-
2 gaged in providing Internet access or com-
3 munications or transactions that use the
4 Internet, 3 shall be individuals employed
5 by or affiliated with persons engaged in
6 electronic commerce (including at least 1
7 who is employed by or affiliated with a
8 person also engaged in mail order com-
9 merce), and 1 shall be an individual em-
10 ployed by or affiliated with a person en-
11 gaged in software publishing; and

12 “(ii) 7 of whom shall be appointed
13 jointly by the minority leader of the House
14 of Representatives and the minority leader
15 of the Senate, of whom 3 shall be individ-
16 uals employed by or affiliated with persons
17 engaged in providing Internet access or
18 communications or transactions that use
19 the Internet, 3 shall be individuals em-
20 ployed by or affiliated with persons en-
21 gaged in electronic commerce (including at
22 least 1 who is employed by or affiliated
23 with a person also engaged in mail order
24 commerce), and 1 shall be an individual

1 employed by or affiliated with a person en-
2 gaged in software publishing.

3 “(2) APPOINTMENTS.—Appointments to the
4 Commission shall be made not later than 45 days
5 after the date of enactment of this chapter. The
6 chairperson shall be selected not later than 60 days
7 after the date of the enactment of this chapter.

8 “(c) ACCEPTANCE OF GIFTS AND GRANTS.—The
9 Commission may accept, use, and dispose of gifts or
10 grants of services or property, both real and personal, for
11 purposes of aiding or facilitating the work of the Commis-
12 sion. Gifts or grants not used at the expiration of the
13 Commission shall be returned to the donor or grantor.

14 “(d) OTHER RESOURCES.—The Commission shall
15 have reasonable access to materials, resources, data, and
16 other information from the Department of Justice, the
17 Department of Commerce, and the Department of the
18 Treasury. The Commission shall also have reasonable ac-
19 cess to use the facilities of the Department of Justice, the
20 Department of Commerce, and the Department of the
21 Treasury for purposes of conducting meetings.

22 “(e) SUNSET.—The existence of the Commission
23 shall terminate—

24 “(1) when the last of the committees of jurisdic-
25 tion referred to in section 154 concludes consider-

1 ation of the legislation proposed under section 153;
2 or

3 “(2) 3 years after the date of the enactment of
4 this chapter;
5 whichever occurs first.

6 “(f) RULES OF THE COMMISSION.—

7 “(1) Sixteen members of the Commission shall
8 constitute a quorum for conducting the business of
9 the Commission.

10 “(2) Any meetings held by the Commission
11 shall be duly noticed at least 14 days in advance and
12 shall be open to the public.

13 “(3) The Commission may adopt other rules as
14 needed.

15 “(g) DUTIES OF THE COMMISSION.—The duties of
16 the Commission, to be carried out in consultation with the
17 National Tax Association Communications and Electronic
18 Commerce Tax Project, and other interested persons, may
19 include—

20 “(1) conducting a thorough study of State and
21 local taxation of transactions using the Internet and
22 Internet access;

23 “(2) examining the collection and administra-
24 tion of consumption taxes on remote commerce in

1 other countries and the United States, and the im-
2 pact of such collection on the global economy;

3 “(3) examining the advantages and disadvan-
4 tages of authorizing States and local governments to
5 require remote sellers to collect and remit sales and
6 use taxes;

7 “(4) proposing a uniform system of definitions
8 of remote and electronic commerce that may be sub-
9 ject to sales and use tax within each State;

10 “(5) examining model State legislation relating
11 to taxation of transactions using the Internet and
12 Internet access, including uniform terminology, defi-
13 nitions of the transactions, services, and other activi-
14 ties that may be subject to State and local taxation,
15 procedural structures and mechanisms applicable to
16 such taxation, and a mechanism for the resolution of
17 disputes between States regarding matters involving
18 multiple taxation;

19 “(6) examining a simplified system for adminis-
20 tration and collection of sales and use tax for remote
21 commerce, that incorporates all manner of making
22 consumer payments, that would provide for a single
23 statewide sales or use tax rate (which rate may be
24 zero), and would establish a method of distributing
25 to political subdivisions within each State their pro-

1 portionate share of such taxes, including an exam-
2 ination of collection of sales or use tax by small vol-
3 ume remote sellers only in the State of origin;

4 “(7) examining ways to simplify the interstate
5 administration of sales and use tax on remote com-
6 merce, including a review of the need for a single or
7 uniform tax registration, single or uniform tax re-
8 turns, simplified remittance requirements, and sim-
9 plified administrative procedures;

10 “(8) examining the need for an independent
11 third party collection system that would utilize the
12 Internet to further simplify sales and use tax admin-
13 istration and collection;

14 “(9) reviewing the efforts of States to collect
15 sales and use taxes owed on purchases from remote
16 sellers, as well as review the appropriateness of in-
17 creased activities by States to collect sales and use
18 taxes directly from customers of remote sellers;

19 “(10) examining the level of contacts sufficient
20 to permit a State to impose a sales or use tax on
21 remote commerce that would subject a remote seller
22 to collection obligations imposed by the State, in-
23 cluding—

1 “(A) the definition of a level of contacts
2 below which a State may not impose collection
3 obligations on a remote seller;

4 “(B) whether or not such obligations are
5 applied in a nondiscriminatory manner with re-
6 spect to nonremote transactions; and

7 “(C) the impact of such obligation on
8 small business remote sellers;

9 “(11) examining making permanent the tem-
10 porary moratorium described in section 151 with re-
11 spect to Internet access as well as such other taxes
12 that the Commission deems appropriate;

13 “(12) examining ways to simplify State and
14 local taxes imposed on the provision of telecommuni-
15 cations services;

16 “(13) requiring the Commission to hold a pub-
17 lic hearing to provide an opportunity for representa-
18 tives of the general public, taxpayer groups, con-
19 sumer groups, State and local government officials,
20 and tax-supported institutions to testify; and

21 “(14) examining other State and local tax
22 issues that are relevant to the duties of the Commis-
23 sion.

1 “(h) FEDERAL ADVISORY COMMITTEE ACT.—The
2 Federal Advisory Committee Act shall not apply with re-
3 spect to the Commission.

4 **“§ 153. Legislative recommendations**

5 “(a) TRANSMISSION OF PROPOSED LEGISLATION.—
6 Not later than 2 years after the date of the enactment
7 of this chapter, the Commission shall transmit to the
8 President and the Congress proposed legislation reflecting
9 any findings concerning the matters described in such sec-
10 tion.

11 “(b) CONTENTS OF PROPOSED LEGISLATION.—The
12 proposed legislation submitted under subsection (a) by the
13 Commission shall have been agreed to by at least 19 mem-
14 bers of the Commission and may—

15 “(1) define with particularity the level of con-
16 tacts between a State and remote seller that the
17 Commission considers sufficient to permit a State to
18 impose collection obligations on the remote seller
19 and the level of contacts which is not sufficient to
20 impose collection obligations on remote sellers;

21 “(2) provide that if, and only if, a State has
22 adopted a single sales and use tax rate for remote
23 commerce and established a method of distributing
24 to its political subdivisions their proportionate share
25 of such taxes, and adopted simplified procedures for

1 the administration of its sales and use taxes, includ-
2 ing uniform registration, tax returns, remittance re-
3 quirements, and filing procedures, then such State
4 should be authorized to impose on remote sellers a
5 duty to collect sales or use tax on remote commerce;

6 “(3) provide that, effective upon the expiration
7 of a 4-year period beginning on the date of the en-
8 actment of such legislation, a State that does not
9 have in effect a single sales and use tax rate and
10 simplified administrative procedures shall be deemed
11 to have in effect a sales and use tax rate on remote
12 commerce equal to zero, until such time as such
13 State does adopt a single sales and use tax rate and
14 simplified administrative procedures;

15 “(4) include uniform definitions of categories of
16 property, goods, services, or information subject to,
17 or exempt from, sales and use taxes;

18 “(5) make permanent the temporary morato-
19 rium described in section 151 with respect to Inter-
20 net access, as well as such other taxes (including
21 those described in section 151) that the Commission
22 deems appropriate;

23 “(6) provide a mechanism for the resolution of
24 disputes between States regarding matters involving
25 multiple taxation; and

1 “(2) any Saturday and Sunday, not excluded
2 under paragraph (1), when either House is not in
3 session.

4 **“§ 155. Definitions**

5 “For the purposes of this chapter:

6 “(1) BIT TAX.—The term ‘bit tax’ means any
7 tax on electronic commerce expressly imposed on or
8 measured by the volume of digital information trans-
9 mitted electronically, or the volume of digital infor-
10 mation per unit of time transmitted electronically,
11 but does not include taxes imposed on the provision
12 of telecommunications services.

13 “(2) COMPUTER SERVER.—The term ‘computer
14 server’ means a computer that functions as a cen-
15 tralized provider of information and services to mul-
16 tiple recipients.

17 “(3) DISCRIMINATORY TAX.—The term ‘dis-
18 criminatory tax’ means—

19 “(A) any tax imposed by a State or politi-
20 cal subdivision thereof on electronic commerce
21 that—

22 “(i) is not generally imposed and le-
23 gally collectible by such State or such polit-
24 ical subdivision on transactions involving

1 similar property, goods, services, or infor-
2 mation accomplished through other means;

3 “(ii) is not generally imposed and le-
4 gally collectible at the same rate by such
5 State or such political subdivision on
6 transactions involving similar property,
7 goods, services, or information accom-
8 plished through other means, unless the
9 rate is lower as part of a phase-out of the
10 tax over not more than a 5-year period;

11 “(iii) imposes an obligation to collect
12 or pay the tax on a different person or en-
13 tity than in the case of transactions involv-
14 ing similar property, goods, services, or in-
15 formation accomplished through other
16 means; or

17 “(iv) establishes a classification of
18 Internet access provider for purposes of es-
19 tablishing a higher tax rate to be imposed
20 on such providers than the tax rate gen-
21 erally applied to providers of similar infor-
22 mation services delivered through other
23 means; or

24 “(B) any tax imposed by a State or politi-
25 cal subdivision thereof, if—

1 “(i) the use of a computer server by
2 a remote seller to create or maintain a site
3 on the Internet is considered a factor in
4 determining a remote seller’s tax collection
5 obligation; or

6 “(ii) a provider of Internet access is
7 deemed to be the agent of a remote seller
8 for determining tax collection obligations
9 as a result of—

10 “(I) the display of a remote sell-
11 er’s information or content on the
12 computer server of a provider of
13 Internet access; or

14 “(II) the processing of orders
15 through the computer server of a pro-
16 vider of Internet access;

17 “(4) ELECTRONIC COMMERCE.—The term ‘elec-
18 tronic commerce’ means any transaction conducted
19 over the Internet or through Internet access, com-
20 prising the sale, lease, license, offer, or delivery of
21 property, goods, services, or information, whether or
22 not for consideration, and includes the provision of
23 Internet access.

24 “(5) INFORMATION SERVICES.—The term ‘in-
25 formation services’ has the meaning given such term

1 in section 3(20) of the Communications Act of 1934
2 as amended from time to time.

3 “(6) INTERNET.—The term ‘Internet’ means
4 the combination of computer facilities and electro-
5 magnetic transmission media, and related equipment
6 and software, comprising the interconnected world-
7 wide network of computer networks that employ the
8 Transmission Control Protocol/Internet Protocol, or
9 any predecessor or successor protocol, to transmit
10 information.

11 “(7) INTERNET ACCESS.—The term ‘Internet
12 access’ means a service that enables users to access
13 content, information, electronic mail, or other serv-
14 ices offered over the Internet, and may also include
15 access to proprietary content, information, and other
16 services as part of a package of services offered to
17 consumers. Such term does not include telecommuni-
18 cations services.

19 “(8) MULTIPLE TAX.—The term ‘multiple tax’
20 means:

21 “(A) Any tax that is imposed by one State
22 or political subdivision thereof on the same or
23 essentially the same electronic commerce that is
24 also subject to another tax imposed by another
25 State or political subdivision thereof (whether

1 or not at the same rate or on the same basis),
2 without a credit (for example, a resale exemp-
3 tion certificate) for taxes paid in other jurisdic-
4 tions. The term ‘multiple tax’ shall not include
5 a sales or use tax imposed by a State and 1 or
6 more political subdivisions thereof pursuant to
7 a law referred to in section 151(b)(1) on the
8 same electronic commerce or a tax on persons
9 engaged in electronic commerce which also may
10 have been subject to a sales or use tax thereon.
11 For purposes of this subparagraph, the term
12 ‘sales or use tax’ means a tax that is imposed
13 on or incident to the sale, purchase, storage,
14 consumption, distribution, or other use of tan-
15 gible personal property or services as may be
16 defined by laws imposing such tax and which is
17 measured by the amount of the sales price or
18 other charge for such property or service); or

19 “(B) Any tax on Internet access if the
20 State or political subdivision thereof classifies
21 such Internet access as telecommunications or
22 communications services under State law and
23 such State or political subdivision thereof has
24 also imposed a tax on the purchase or use of
25 the underlying telecommunications services that

1 are used to provide such Internet access with-
2 out allowing a credit for other taxes paid, a sale
3 for resale exemption, or other mechanism for
4 eliminating duplicate taxation.

5 “(9) REMOTE COMMERCE.—The term ‘remote
6 commerce’ means the sale, lease, license, offer, or
7 delivery of property, goods, services, or information
8 by a seller in 1 State to a purchaser in another
9 State.

10 “(10) REMOTE SELLER.—The term ‘remote
11 seller’ means a person who sells, leases, licenses, of-
12 fers, or delivers property, goods, services, or infor-
13 mation from one State to a purchaser in another
14 State.

15 “(11) STATE.—The term ‘State’ means any of
16 the several States, the District of Columbia, or any
17 territory or possession of the United States.

18 “(12) TAX.—The term ‘tax’ means—

19 “(A) any levy, fee, or charge imposed
20 under governmental authority by any govern-
21 mental entity; or

22 “(B) the imposition of or obligation to col-
23 lect and to remit to a governmental entity any
24 such levy, fee, or charge imposed by a govern-
25 mental entity.

1 Such term does not include any franchise fees or
 2 similar fees imposed by a State or local franchising
 3 authority, pursuant to section 622 or 653 of the
 4 Communications Act of 1934.

5 “(13) TELECOMMUNICATIONS SERVICES.—The
 6 term ‘telecommunications services’ has the meaning
 7 given such term in section 3(46) of the Communica-
 8 tions Act of 1934, as amended from time to time.”.

9 (b) CONFORMING AMENDMENT.—Title 4 of the
 10 United States Code is amended in the table of chapters
 11 by adding at the end the following:

“**6. Moratorium on Certain Taxes** **151**”.

12 **SEC. 3. PROVISION OF INTERNET ACCESS AND ONLINE**
 13 **SERVICES.**

14 Title II of the Communications Act of 1934 is
 15 amended by inserting after section 230 (47 U.S.C. 230)
 16 the following new section:

17 “**SEC. 231. PROHIBITION ON REGULATION OF INTERNET AC-**
 18 **CESS AND ONLINE SERVICES.**

19 “(a) PROHIBITION.—The Commission shall have no
 20 authority or jurisdiction under this title or section 4(i),
 21 nor shall any State commission have any authority or ju-
 22 risdiction, to regulate the prices or charges paid by sub-
 23 scribers for Internet access or online services.

24 “(b) PRESERVATION OF AUTHORITY.—Nothing in
 25 this subsection shall limit or otherwise affect—

1 “(1) the Commission’s or State commissions’
2 implementation of the Telecommunications Act of
3 1996 (Public Law 104–104) or the amendments
4 made by such Act; and

5 “(2) the Commission’s or State commissions’
6 authority to regulate telecommunications carriers
7 that offer Internet access or online services in con-
8 junction with the provision of any telephone toll,
9 telephone exchange, or exchange access services as
10 such terms are defined in title I.

11 “(c) DEFINITIONS.—As used in this section:

12 “(1) INTERNET.—The term ‘Internet’ means
13 the combination of computer facilities and electro-
14 magnetic transmission media, and related equipment
15 and software, comprising the interconnected world-
16 wide network of computer networks that employ the
17 Transmission Control Protocol/Internet Protocol, or
18 any predecessor or successor protocol, to transmit
19 information.

20 “(2) INTERNET ACCESS.—The term ‘Internet
21 access’ means a service that enables users to access
22 content, information, and other services offered over
23 the Internet, but does not mean a telecommuni-
24 cations service.

1 “(3) ONLINE SERVICE.—The term ‘online serv-
2 ice’ means the offering or provision of Internet ac-
3 cess with the provision of other information serv-
4 ices.”.

5 **SEC. 4. FEDERAL REGULATORY FEES.**

6 (a) NO REGULATORY FEES.—Section 9(h) of the
7 Communications Act of 1934 (47 U.S.C. 159(h)) is
8 amended by inserting “; or (3) providers of Internet access
9 or online service” after “(47 C.F.R. Part 97)” .

10 (b) CONFORMING AMENDMENT.—Section 9(h) of the
11 Communications Act of 1934 (47 U.S.C. 159(h)) is
12 amended by striking “or” that appears before “(2)”.

13 (c) DETERMINATION.—Not later than 1 year after
14 the date of the enactment of this Act, the National Tele-
15 communications and Information Administration shall de-
16 termine whether any direct or indirect Federal regulatory
17 fees, other than the fees identified in subsection (a), are
18 imposed on providers of Internet access or online services,
19 and if so, make recommendations to the Congress regard-
20 ing whether such fees should be modified or eliminated.

21 **SEC. 5. REPORT ON FOREIGN COMMERCE.**

22 (a) CONTENTS OF REPORT.—In order to promote
23 electronic commerce, the Secretary of Commerce, in con-
24 sultation with appropriate committees of the Congress,
25 shall undertake an examination of—

1 (1) barriers imposed in foreign markets on
2 United States providers of property, goods, services,
3 or information engaged in electronic commerce and
4 on United States providers of telecommunications
5 services;

6 (2) how the imposition of such barriers will af-
7 fect United States consumers, the competitiveness of
8 United States citizens providing property, goods,
9 service, or information in foreign markets, and the
10 growth and maturing of the Internet; and

11 (3) what measures the Government should pur-
12 sue to foster, promote, and develop electronic com-
13 merce in the United States and in foreign markets.

14 (b) PUBLIC COMMENT.—For purposes of this section,
15 the Secretary of Commerce shall give all interested per-
16 sons an opportunity to comment on the matters identified
17 in subsection (a) through written or oral presentations of
18 data, views, or arguments.

19 (c) TRANSMITTAL TO THE PRESIDENT.—Not later
20 than 18 months after the date of the enactment of this
21 Act, the Secretary of Commerce shall transmit to the
22 President a report containing the results of the examina-
23 tion undertaken in accordance with subsection (a).

24 (d) RECOMMENDATIONS OF THE PRESIDENT.—Not
25 later than 2 years and 45 days after the date of the enact-

1 ment of this Act, the President shall review the report de-
2 scribed in subsection (c) and submit to the appropriate
3 committees of Congress such policy recommendations as
4 the President deems necessary or expedient.

5 **SEC. 6. DECLARATION THAT THE INTERNET SHOULD BE**
6 **FREE OF FOREIGN TARIFFS, TRADE BAR-**
7 **RIERS, AND OTHER RESTRICTIONS.**

8 It is the sense of the Congress that the President
9 should seek bilateral and multilateral agreements to re-
10 move barriers to global electronic commerce, through the
11 World Trade Organization, the Organization for Economic
12 Cooperation and Development, the International Tele-
13 communications Union, the Asia Pacific Economic Co-
14 operation Council, the Free Trade Area of the Americas,
15 and other appropriate international fora. Such agreements
16 should require, inter alia, that the provision of Internet
17 access or online services be free from undue and discrimi-
18 natory regulation by foreign governments and that elec-
19 tronic commercial transactions between United States and
20 foreign providers of property, goods, services, and infor-
21 mation be free from undue and discriminatory regulation,
22 international tariffs, and discriminatory taxation.

23 **SEC. 7. NO EXPANSION OF TAX AUTHORITY.**

24 Nothing in this Act shall be construed to expand the
25 duty of any person to collect or pay taxes beyond that

1 which existed immediately before the date of the enact-
2 ment of this Act.

3 **SEC. 8. PRESERVATION OF AUTHORITY.**

4 Nothing in this Act shall limit or otherwise affect the
5 implementation of the Telecommunications Act of 1996
6 (Public Law 104–104) or the amendments made by such
7 Act.

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