

106TH CONGRESS
1ST SESSION

H. R. 3252

To amend the Internet Tax Freedom Act to make permanent and extend its moratorium on certain taxes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1999

Mr. KASICH (for himself and Mr. BOEHNER) introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Ways and Means, 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 amend the Internet Tax Freedom Act to make permanent and extend its moratorium on certain taxes, 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Internet Tax Elimini-
5 nation Act”.

1 **SEC. 2. INTERNET TAX MORATORIUM.**

2 (a) MORATORIUM MADE PERMANENT.—Section
3 1101(a) of the Internet Tax Freedom Act (47 U.S.C. 151
4 Note; 112 Stat. 2681–719) is amended—

5 (1) by striking “during the period beginning on
6 October 1, 1998, and ending 3 years after the date
7 of the enactment of this Act—” and inserting a
8 colon;

9 (2) in paragraph (1)—

10 (A) by striking “taxes” and inserting “Any
11 tax”; and

12 (B) by striking “, unless such tax was gen-
13 erally imposed and actually enforced prior to
14 October, 1, 1998; and” and inserting a period;
15 and

16 (3) in paragraph (2)—

17 (A) by inserting “Any” before “multiple”;
18 and

19 (B) by striking “taxes” and inserting
20 “tax”.

21 (b) EXTENSION AND PREEMPTION.—Section 1101 of
22 the Internet Tax Freedom Act (47 U.S.C. 151 Note; 112
23 Stat. 2681–719) is amended—

24 (1) in subsection (a), by adding at the end the
25 following new paragraph:

1 “(3) Any sales or use tax on domestic or for-
2 foreign goods or services acquired through electronic
3 commerce.”;

4 (2) by striking subsections (b) and (d);

5 (3) by striking “also” in subsections (e)(1) and
6 (f)(1); and

7 (4) redesignating subsections (c), (e), and (f) as
8 subsections (b), (c), and (d), respectively.

9 (c) **NO EFFECT ON PRIOR LIABILITY.**—Section
10 1101(c) of the Internet Tax Freedom Act (47 U.S.C. 151
11 Note; 112 Stat. 2681–719) is amended—

12 (1) by striking “for taxes” and inserting “for a
13 tax not prohibited by this title prior to January 1,
14 2001, and”;

15 (2) by striking “the date of enactment of this
16 Act” and inserting “that date”.

17 (d) **EFFECTIVE DATE OF AMENDMENTS.**—This sec-
18 tion shall take effect January 1, 2001.

19 **SEC. 3. SENSE OF CONGRESS.**

20 It is the sense of Congress that the President
21 should—

22 (1) seek a global consensus supporting—

23 (A) a permanent international ban on tar-
24 iffs on electronic commerce; and

1 (B) an international ban on bit, multiple,
2 and discriminatory taxation of electronic com-
3 merce and the Internet;

4 (2) seek to make permanent and binding the
5 moratorium on tariffs on electronic transmissions
6 adopted by the World Trade Organization in May
7 1998;

8 (3) seek adoption by the Organization for Eco-
9 nomic Cooperation and Development, and implemen-
10 tation by the group's 29 member countries, of an
11 international ban on bit, multiple, and discrimina-
12 tory taxation of electronic commerce and the Inter-
13 net;

14 (4) oppose any proposal by any country, the
15 United Nations, or any other multilateral organiza-
16 tion to establish a "bit tax" on electronic trans-
17 missions; and

18 (5) instruct the United States representatives
19 to the World Trade Organization, and any other
20 multilateral trade organization of which the United
21 States is a member, to advocate the firm position of
22 the United States that electronic commerce con-
23 ducted via the Internet should not be burdened by

- 1 national or local regulation, taxation, or the imposi-
- 2 tion of tariffs on such commerce.

○