

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.

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## 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

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## 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 Elim-

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 eign 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”; 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-  
24iffs 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.

