

108TH CONGRESS
2D SESSION

H. R. 5225

To provide an exemption for low-income senior citizens from the communications excise tax and other fees and charges collected for the purpose of recovering some of the costs to telecommunications carriers of providing universal service and connecting the telephone exchange network to telephone toll service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 6, 2004

Mr. NADLER (for himself, Mr. SIMMONS, and Ms. CARSON of Indiana) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, 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 provide an exemption for low-income senior citizens from the communications excise tax and other fees and charges collected for the purpose of recovering some of the costs to telecommunications carriers of providing universal service and connecting the telephone exchange network to telephone toll service, 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 “Telephone Tax Relief
3 for Seniors Act”.

4 **SEC. 2. COMMUNICATIONS EXCISE TAX.**

5 (a) EXEMPTION.—Section 4253 of the Internal Rev-
6 enue Code of 1986 is amended by redesignating subsection
7 (k) as subsection (l) and inserting after subsection (j) the
8 following new subsection:

9 “(k) EXEMPTION FOR LOW-INCOME SENIOR CITI-
10 ZENS.—No tax shall be imposed under section 4251 on
11 any amount paid by a low-income senior citizen for serv-
12 ices furnished to such individual. For purposes of this sub-
13 section, the term ‘low-income senior citizen’ means an in-
14 dividual who is certified as such by the Federal Commu-
15 nications Commission.”.

16 (b) CONFORMING AMENDMENT.—Section 4253(l) of
17 the Internal Revenue Code of 1986, as redesignated by
18 subsection (a), is amended by striking “or (j)” and insert-
19 ing “(j), or (k)”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to taxable years beginning after
22 the date of enactment of this Act.

23 **SEC. 3. TELEPHONE SERVICE FEES AND CHARGES.**

24 (a) EXEMPTION FOR LOW-INCOME SENIOR CITI-
25 ZENS.—A telecommunications carrier shall not require a
26 subscriber of the carrier’s telephone exchange service or

1 telephone toll service who is certified by the Federal Com-
2 munications Commission as a low-income senior citizen to
3 pay—

4 (1) a fee or other charge collected for the pur-
5 pose of contributing to the preservation or advance-
6 ment of universal service pursuant to section 254 of
7 the Communications Act of 1934 (47 U.S.C. 254);

8 (2) a subscriber line charge or any other per
9 line fee or charge collected for the purpose of recov-
10 ering some of the costs to the local exchange carrier
11 of connecting the telephone exchange network to
12 telephone toll service; or

13 (3) a local number portability charge.

14 The fees and other charges described in this subsection
15 shall not include fees or charges imposed by State or local
16 governments.

17 (b) IMPLEMENTATION.—The Federal Communica-
18 tions Commission shall implement subsection (a) by
19 amending its regulations not later than 180 days after the
20 date of enactment of this Act.

21 (c) DEFINITIONS.—For purposes of this Act—

22 (1) the term “low-income senior citizen” means
23 an individual age 65 or older who has an income
24 which does not exceed 200 percent of the poverty
25 level, as determined in accordance with criteria es-

1 tablished by the Director of the Office of Manage-
2 ment and Budget; and

3 (2) the terms “local exchange carrier”, “tele-
4 communications carrier”, “telephone exchange serv-
5 ice”, and “telephone toll service” have the meanings
6 given to those terms in section 153 of the Commu-
7 nications Act of 1934 (47 U.S.C. 153).

8 **SEC. 4. AUTHORIZATION OF APPROPRIATIONS.**

9 There are authorized to be appropriated to the Fed-
10 eral Communications Commission \$20,000,000 for the
11 purpose of educating low-income senior citizens about the
12 benefits to which they are entitled pursuant to this Act.

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