

109TH CONGRESS
1ST SESSION

S. 758

To amend the Internal Revenue Code of 1986 to ensure that the federal excise tax on communication services does not apply to internet access service.

IN THE SENATE OF THE UNITED STATES

APRIL 11, 2005

Mr. ALLEN (for himself and Mr. WYDEN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to ensure that the federal excise tax on communication services does not apply to internet access service.

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 “Federal Internet Tax
5 Prohibition Act of 2005”.

6 **SEC. 2. PROHIBITION ON EXTENSION OF FEDERAL EXCISE**
7 **TAX.**

8 Section 4251 of the Internal Revenue Code of 1986
9 (relating to the imposition of federal excise tax on commu-

1 nication services) is amended by adding at the end the
2 following new subsection:

3 “(e) EXCEPTION FOR INTERNET ACCESS SERV-
4 ICES.—

5 “(1) IN GENERAL.—The tax imposed under
6 subsection (a) shall not apply to any internet access
7 service.

8 “(2) DEFINITION.—For purposes of this sub-
9 section, the term ‘internet access service’ has the
10 same meaning given the term in section 1104(5) of
11 the Internet Tax Freedom Act (47 U.S.C. 151
12 note).”.

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