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LARRY CRAIG

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NEWS RELEASE

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Dan Whiting (202) 224-8078
Sid Smith (208) 342-7985

No Tax on a Toll **by Senator Larry Craig**

I'll tell you right away that I'm no expert on the Internet, but I learn more every day. I can tell you that I understand the capability it holds as a method of communication and commerce. The Internet has been called the "Information Superhighway," and while you do have to pay a toll of sorts for access to the highway, at least you don't have to pay taxes on that toll. Now, I'm proud to report that Congress has done its part to make sure this remains the case.

On October 31, H.R.3678 was signed into law by President Bush. This new law will extend the moratorium on internet access taxes for another seven years. The current moratorium was set to expire at midnight, which would have been a cruel trick for Halloween! When the bill previously passed through the Senate, language was added to clarify that those who pay for e-mail, instant messaging or electronic data storage won't be taxed either.

While I may be something of a novice on the Internet, one thing I know for sure is that I've never been a fan of taxes. I will admit that some taxes are necessary so government can provide certain goods and services that wouldn't otherwise be provided. But once a tax is on the books, governments have a tendency to ratchet them up, little by little, until businesses and working families struggle under the burden. So we need to continuously scrutinize every tax on the books to determine its impact on workers and the economy, and provide tax relief when necessary.

When it comes to levying new taxes, my first reaction is skepticism. What service will these tax revenues fund? Can this service be provided more efficiently by the private sector? Can government find a way to shift or trim funding from other programs or projects, instead of creating a new tax?

Ever since the Internet tax moratorium was instituted back in 1998, I haven't come across many answers to these questions that are convincing or compelling, when answers have been provided at all.

In this case, I believe that allowing states to tax internet access would have the effect of pricing many Americans out of the Information Superhighway. It would also provide a new revenue source to lure bureaucrats into more government spending.

The Internet has proven to be a remarkable engine of – as well as a medium for – creativity, commerce and interaction. Congress should be looking for ways to get more people involved, not

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fewer. And we are, by looking for ways to provide incentives to extend broadband services to rural communities, for example.

As more people gain access, some find that they don't always have to live in the big cities to hold a job that pays well. Telecommuting suddenly becomes a realistic option, and rural Idaho can benefit from that. But a tax on internet access makes that a more expensive – and therefore, less attractive – proposition. If the Internet is a superhighway, you can be sure I'll keep looking for ways to build more lanes instead of roadblocks.