

## **Policy Resolution 06-01**

### **Resolution Regarding the Re-write of the Telecommunications Act of 1996**

**Whereas**, the Telecommunications Act was enacted in 1996; and

**Whereas**, the Congress is currently engaged in re-writing the Act; and

**Whereas**, the Senate version of H.R., 5252, the Communications Act of 2006, includes a section entitled the “Cell Phone Tax Moratorium Act of 2006”; and

**Whereas**, this section prohibits states and localities from imposing “new discriminatory taxes” on mobile services, mobile service providers and mobile services property for three years; and

**Whereas**, the bill represents an unwarranted intrusion on state taxing authority; and

**Whereas**, the bill preempts legitimate, non-discriminatory state practices in property, sales and excise taxation; and

**Whereas**, the bill’s ambiguous language will lead to protracted litigation to determine its intent; and

**Whereas**, the Multistate Tax Commission acknowledges that some telecommunications tax laws are arcane and in need of revision; and

**Whereas**, the telecommunications industry and the states have had many discussions to explore ways to improve the taxation of telecommunications at the state and local level; and

**Whereas**, these discussions have been productive, and serve to highlight the level of cooperation between states and the telecommunications industry in finding solutions to improve telecommunication taxation; and

**Whereas**, such cooperative efforts between states and the telecommunications industry have borne fruit in the past, such as the Mobile Telecommunications Sourcing Act of 2000, which simplifies state transactional taxation of mobile telecommunications services; now, therefore, be it

**RESOLVED**, that the Multistate Tax Commission urges the wireless telecommunications industry to continue working with states and localities to simplify taxation of mobile services, mobile service providers and mobile services property; and be it further

**RESOLVED**, that the Multistate Tax Commission opposes the Cell Phone Tax Moratorium Act of 2006, and respectfully urges Congress to reject the Act as an unacceptable preemption of state taxing authority; and be it further

**RESOLVED**, that the Multistate Tax Commission respectfully urges Congress to support the ongoing cooperative effort between states and the industry to improve the taxation of telecommunications.

Adopted this 17<sup>th</sup> day of August, 2006 by the Multistate Tax Commission.

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Joe Huddleston  
Executive Director

This resolution shall expire at the Multistate Tax Commission Annual Business Meeting in 2011.