

## **Multistate Tax Commission**

### **Resolution No. 05-01**

#### **Resolution in Support of Telecommunications Tax Improvement**

**Whereas**, the telecommunications industry is undergoing rapid change due to deregulation, new technologies, restructured enterprises, and expanded services; and

**Whereas**, the Telecommunications Reform Act of 1996 deregulated the industry, in part to assist in fostering national economic growth; and

**Whereas**, the state and local tax regime affecting telecommunications services should be evaluated and, where necessary, updated to reflect the rapid changes in this industry; and

**Whereas**, the Multistate Tax Commission understands that the telecommunications industry has raised concerns about differences in the taxation among different types of communications services and difference in taxation of communications services and other products, services and industries; and

**Whereas**, the telecommunications industry has indicated its willingness to work with State and local governments to update State and local telecommunications taxation; and

**Whereas**, the telecommunications industry and States, in partnership with the Streamlined Sales Tax Project, are working to reduce the administrative burdens of telecommunication taxes; and

**Whereas**, the Multistate Tax Commission, with other state government organizations and State representatives, supports this administrative simplification effort and recognizes that there are broader policy issues with respect to telecommunications services in the modern economy; and

**Whereas**, the Multistate Tax Commission is committed to resolving these important state and local telecommunications tax policy issues as cooperatively as possible among states, localities and industry; now, therefore, be it

**RESOLVED**, that the Multistate Tax Commission expresses appreciation to the telecommunications industry for its willingness to work with, and its continuing commitment to, the Streamlined Sales Tax Project telecommunications tax administrative simplification effort and pledges its own support for that work; and be it further

**RESOLVED**, that the Multistate Tax Commission welcomes a dialogue with the telecommunications industry on policy issues in telecommunications taxation and to resolve such issues cooperatively between the industry and state and local governments; and be it further

**RESOLVED**, that the Multistate Tax Commission works diligently with the telecommunications industry, other state organizations and the Streamlined Sales Tax Project to create a state and local telecommunications tax system that reflects the reality of the telecommunications business and sound fiscal policy for State and local governments.

Adopted this 29<sup>th</sup> day of July 2005 by the Multistate Tax Commission.

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Joe Huddleston  
Executive Director

This resolution shall expire at the Annual Business meeting of the Multistate Tax Commission in 2010.