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# Senator Dianne Feinstein

of California

## Senators Alexander, Carper, Feinstein, and Hutchison Seek 2-year Moratorium on Internet Access Taxes February 11, 2004

**Washington, DC** – U.S. Senators Lamar Alexander (R-TN), Tom Carper (D-DE), Dianne Feinstein (D-Calif.) and Kay Bailey Hutchison (R-TX) today introduced legislation that would put in place a two-year moratorium on internet access taxes, but do so in a way that would not cost local and state governments millions.

Under alternative legislation sponsored by Senators Ron Wyden and George Allen, California cities and counties stand to lose as much as \$836 million in tax revenues.

**“The legislation that we introduce today would put the internet tax moratorium back in place on a two-year temporary basis, but it would do so in a way that does not cost cities and counties as much as \$11.7 billion in tax revenues nationwide and \$836 million in California,”** Senator Feinstein said. **“This issue has energized cities like no other issue I have seen. In fact, I have heard from 118 concerned cities and counties in my State. I have also heard from virtually all state and local governmental organizations from around the nation. They are all agreed – the alternative legislation sponsored by Senators Wyden and Allen could cost local governments billions.”**

Following is a partial list of the losses that local and state jurisdictions could lose if the Wyden-Allen legislation goes into effect.

<u>Jurisdictions</u>	<u>Potential Losses Under Wyden-Allen Legislation</u>
Nationwide:	\$11.7 billion
California	\$836 million
Los Angeles City:	\$225 million (full loss of UUT)
Pasadena:	\$11.4 million
Sacramento:	\$19 million
San Diego County:	\$3 million
San Francisco:	\$30 million
San Jose:	\$9.5 million
Las Vegas:	\$12.1 million
Miami:	\$51.8 million
Portland:	\$57.7 million
Seattle:	\$30 million

## ALEXANDER-CARPER BILL

- Institutes a two-year moratorium on Internet access tax that would bar state and local taxes on Internet access. **Tax exemption would be limited to services that bring the Internet into your home or business.**
- Makes Digital Subscriber Lines (DSL) used for Internet access non-taxable so the playing field is level among competing technologies.

## ALLEN-WYDEN BILL

- Institutes a permanent moratorium on Internet access taxes that would bar state and local taxes on Internet access.
- The Allen-Wyden definition of “Internet access” could be interpreted to include services that go well beyond those that simply bring the Internet into your home or business – **costing cities and counties millions.**

### Opposition to Allen-Wyden

Senator Feinstein has received 118 letters or phone calls from concerned California cities and counties. Including:

#### **Organizations:**

National League of Cities  
US Conference of Mayors  
American Federation of State, County, and Municipal Employees (AFSCME)  
Council of State Governments  
International Association of Fire Fighters  
League of California Cities  
National Association of Counties  
National Conference of State Legislatures  
National Education Association  
National Governors Association

#### **Cities of:**

Alhambra	Mountain View
Benicia	Novato
Berkeley	Pacific Grove
Burbank	Palo Alto
Burlingame	Pasadena
Calabasas	Placentia
Campbell	Pomona
Chico	Rancho Palos
Chula Vista	Verdes
Claremont	Redondo Beach
Compton	Redwood City
Concord	Richmond
Costa Mesa	Riverside

Covina	Roseville
Daly City	Sacramento
Downey	San Bernardino
El Monte	San Bruno
El Segundo	San Buenaventura
Elk Grove	San Carlos
Fairfield	San Francisco
Fillmore	San Leandro
Foster City	San Luis Obispo
Fremont	San Mateo
Half Moon Bay	San Rafael
Hawthorne	San Ramon
Hayward	Santa Barbara
Hillsborough	Santa Cruz
Indian Wells	Santa Maria
Irvine	Santa Rosa
La Verne	Sausalito
Lakeport	Signal Hill
Lakewood	South San
Long Beach	Francisco
Los Gatos	Torrance
Menlo Park	Tulare
Merced	Vista
Millbrae	Walnut Creek
Modesto	Wasco
Monterey	Westminster
Moreno Valley	Whittier

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