

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
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FLOOR DEBATE

June 2, 2005

LR 15

conducting a public hearing. The Transportation Committee reports the resolution back to the Legislature for further consideration, Mr. President.

SENATOR CUDABACK: Senator Smith, you're recognized to open on LR 15.

SENATOR SMITH: Thank you, Mr. President and colleagues. I am here to introduce LR 15. It's a request to repeal the federal excise tax on telecommunications. It is currently a 3 percent permanent excise tax on telecommunications, obviously, that was originally implemented as a luxury tax to fund the Spanish American War of 1898. It lasted six months and the taxes seem to last a lot longer than that. I've handed out some materials here for you to glance at, but it was originally supposed to be a temporary tax that applied to a very small portion of individuals. Right now, the 3 percent tax on everyone's phone bill racks up about \$5.8 billion per year that goes directly into the General Fund. It is not even a cash fund relating to telecommunications or similar issues. There have been various attempts to make it that way, but that has not taken place. I would ask the body to think of what it would be like to place \$5.8 billion back into the economy of the United States before you think about the fiscal impact to the coffers of the federal government. What originally started out as a luxury tax has turned out to be one of the most highly regressive taxes that our country faces where everyone who owns a phone line or leases a phone line, whatever you'd like to call it, has to pay the 3 percent. Approximately 94 percent of today's population has a phone, and I would say it's probably even higher than that now. There's various litigation taking place that stands to threaten the \$5.8 billion, as it is, and will likely be reduced through that litigation, but there are various entities that are experiencing the costs of litigation that I think can be prevented by simply repealing the highly regressive tax and giving \$5.8 billion back to the taxpayers. Thank you, Mr. President.

SENATOR CUDABACK: Thank you, Senator Smith. You heard the opening on LR 15. Open for discussion. For discussion, Senator Smith, there are no lights on. Senator Smith waives closing.