

[DISCUSSION DRAFT]

NOVEMBER 8, 1999

106TH CONGRESS
1ST SESSION

H. R. _____

IN THE HOUSE OF REPRESENTATIVES

Mr. KASICH introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Internet Tax Freedom Act to make permanent
and extend its moratorium on certain taxes, and for
other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Internet Tax Elim-
5 nation Act”.



1 **SEC. 2. INTERNET TAX MORATORIUM.**

2 (a) MORATORIUM MADE PERMANENT.—Section
3 1101(a) of the Internet Tax Freedom Act (47 U.S.C. 151
4 Note; 112 Stat. 2681–719) is amended—

5 (1) by striking “during the period beginning on
6 October 1, 1998, and ending 3 years after the date
7 of the enactment of this Act—” and inserting a
8 colon;

9 (2) in paragraph (1)—

10 (A) by striking “taxes” and inserting “Any
11 tax”; and

12 (B) by striking “, unless such tax was gen-
13 erally imposed and actually enforced prior to
14 October, 1, 1998; and” and inserting a period;
15 and

16 (3) in paragraph (2)—

17 (A) by inserting “Any” before “multiple”;
18 and

19 (B) by striking “taxes” and inserting
20 “tax”.

21 (b) EXTENSION AND PREEMPTION.—Section 1101 of
22 the Internet Tax Freedom Act (47 U.S.C. 151 Note; 112
23 Stat. 2681–719) is amended—

24 (1) in subsection (a), by adding at the end the
25 following new paragraph:



1 “(3) Any sales or use tax on domestic or for-
2 eign goods or services acquired through electronic
3 commerce.”;

4 (2) by striking subsections (b) and (d);

5 (3) by striking “also” in subsections (e)(1) and
6 (f)(1); and

7 (4) redesignating subsections (c), (e), and (f) as
8 subsections (b), (c), and (d), respectively.

9 (c) NO EFFECT ON PRIOR LIABILITY.—Section
10 1101(c) of the Internet Tax Freedom Act (47 U.S.C. 151
11 Note; 112 Stat. 2681–719) is amended—

12 (1) by striking “for taxes” and inserting “for a
13 tax not prohibited by this title prior to January 1,
14 2001, and”; and

15 (2) by striking “the date of enactment of this
16 Act” and inserting “that date”.

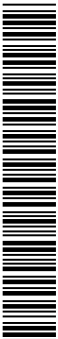
17 (d) EFFECTIVE DATE OF AMENDMENTS.—This sec-
18 tion shall take effect January 1, 2001.

19 **SEC. 3. SENSE OF CONGRESS.**

20 It is the sense of Congress that the President
21 should—

22 (1) seek a global consensus supporting—

23 (A) a permanent international ban on tar-
24iffs on electronic commerce; and



1 (B) an international ban on bit, multiple,
2 and discriminatory taxation of electronic com-
3 merce and the Internet;

4 (2) seek to make permanent and binding the
5 moratorium on tariffs on electronic transmissions
6 adopted by the World Trade Organization in May
7 1998;

8 (3) seek adoption by the Organization for Eco-
9 nomic Cooperation and Development, and implemen-
10 tation by the group's 29 member countries, of an
11 international ban on bit, multiple, and discrimina-
12 tory taxation of electronic commerce and the Inter-
13 net;

14 (4) oppose any proposal by any country, the
15 United Nations, or any other multilateral organiza-
16 tion to establish a "bit tax" on electronic trans-
17 missions; and

18 (5) instruct the United States representatives
19 to the World Trade Organization, and any other
20 multilateral trade organization of which the United
21 States is a member, to advocate the firm position of
22 the United States that electronic commerce con-
23 ducted via the Internet should not be burdened by
24 national or local regulation, taxation, or the imposi-
25 tion of tariffs on such commerce.

