

AMENDMENT NO.

CAL. NO.

[STAFF WORKING DRAFT]

November 6, 2003

Purpose: To extend the moratorium for 2 years, with the other changes made by the amendment proposed by Mr. ALLEN except for a modification of the definition of Internet access and a grandfathering of laws affected by the modification until November 2, 2005.

IN THE SENATE OF THE UNITED STATES—108TH Cong., 1ST Sess.

S. 150, 108TH Congress, 1ST Session

NOVEMBER —, 2003

() Referred to the Committee on _____ and ordered to be printed

() Ordered to lie on the table and to be printed

INTENDED to be proposed by Mr. ALEXANDER, (for himself, Mr. CARPER, Mr. HOLLINGS, Mr. STEVENS, Mr. VOINOVICH, Mr. GRAHAM of Florida, Mr. DORGAN, Mrs. FEINSTEIN, and Mr. LAUTENBERG) to the amendment (No. —) proposed by Mr. ALLEN

Viz:

1 On page 2, strike lines 1 through 10 and insert the
2 following:

3 **SEC. 2. 2-YEAR EXTENSION OF MORATORIUM.**

4 (a) IN GENERAL.—Section 1101(a) of the Internet

5 Tax Freedom Act (47 U.S.C. 151 nt) is amended—

1 (1) by striking “2003—” and inserting
2 “2005.”;

3 (2) by striking paragraph (1) and inserting the
4 following:

5 “(1) Taxes on Internet access.”; and

6 (3) by striking “multiple” in paragraph (2) and
7 inserting “Multiple”.

8 On page 3, strike lines 10 through 18 and insert the
9 following:

10 (c) INTERNET ACCESS SERVICE.—

11 (1) IN GENERAL.—Section 1101(e)(3)(D) (as
12 redesignated by subsection (b)(1) of this section) of
13 the Internet Tax Freedom Act (47 U.S.C. 151 note)
14 and section 1104(5) of that Act are each amended
15 by striking the second sentence and inserting “The
16 term ‘Internet access’ does not include telecommuni-
17 cations services, except to the extent such services
18 are purchased, used, or sold by an Internet access
19 provider to connect a purchaser of Internet access to
20 the Internet access provider.”.

21 (2) 2-YEAR GRANDFATHER FOR STATE AND
22 LOCAL TAX LAWS AFFECTED BY CHANGE IN DEFINI-
23 TION.—The amendment made by paragraph (1)
24 takes effect on the date of enactment of this Act but
25 shall not apply until November 2, 2005, with respect

- 1 to a law imposing a tax that was generally imposed
- 2 and actually enforced prior to November 6, 2003.

Amend the title so as to read: "A Bill To extend the moratorium on Internet taxes for 2 years, and for other purposes."

