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SENATE MEMORIAL 7

47TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2006

INTRODUCED BY

Joseph J. Carraro

A MEMORIAL

REQUESTING THAT THE UNITED STATES SENATORS REPRESENTING NEW MEXICO SUPPORT REPEAL OF THE FEDERAL EXCISE TAX ON TELECOMMUNICATIONS.

WHEREAS, the federal excise tax on telecommunications was enacted in 1898 for the purpose of funding the Spanish-American war; and

WHEREAS, the tax was introduced as a "temporary" luxury tax; and

WHEREAS, telephone service is no longer a luxury, but rather a necessity for consumers at all income levels; and

WHEREAS, the federal excise tax is regressive, as low-income Americans pay a higher percentage of their income for telephone services than high-income Americans; and

WHEREAS, telecommunications services are the

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1 infrastructure upon which new technologies, including the
2 internet, depend, and the telecommunications excise tax
3 discourages expansion of both the telephone infrastructure and
4 new technologies; and

5 WHEREAS, the federal excise tax on telecommunications
6 flows into the general fund, rather than being earmarked for a
7 specific purpose; and

8 WHEREAS, both houses of congress passed a repeal of the
9 federal excise tax on telecommunications in 2000, which was
10 vetoed by President William Jefferson Clinton;

11 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE
12 OF NEW MEXICO that the United States senators representing New
13 Mexico be requested to support the repeal of the federal excise
14 tax on telecommunications; and

15 BE IT FURTHER RESOLVED that copies of this memorial be
16 transmitted to the United States senators representing New
17 Mexico.