



October 22, 2007

Dear Senator:

On behalf of the Financial Publishers Association (FIPA), I urge the Senate to pass a bipartisan, long-term extension of the Internet tax moratorium before its expiration on November 1, 2007. The House has done its part by passing a four-year extension to the tax ban (H.R. 3678) by a vote of 405-2.

Without congressional action, on a few states and municipalities are free to tax citizens for simply checking e-mail, making online purchases or clicking on e-government. This issue is too important to allow the existing law to expire for even a short period.

As you may recall, in 1998 Congress enacted the Internet Tax Fairness Act, which banned most states and localities from taxing Internet access. In 2001 and 2004, federal lawmakers voted to extend this increasingly popular moratorium.

Now, due in no small part to this nearly decade-long tax ban, the Internet has become an essential engine of the economy. For example, with a website many people start small businesses. Many FIPA members began this way. Today our members have successful e-newsletters with a combined readership of over 14 million.

At the same time, the moratorium helps to keep Internet access prices lower, so the number of people connected to the Internet has steadily increased. Although more still need to be done to link rural (31% connected) and minority communities, such as African American (40% connected), the United States enjoys the largest broadband market in the world.

By extending the ban on Internet taxes, Congress would encourage innovation and growth. Consequently the reverse is also true. Allowing states and localities to impose a regressive tax will have a chilling effect on universal Internet access, consumer choice, and innovation among families and businesses, like the Financial Publishers Association.

For almost 10 years, we have all seen the benefits of the Internet tax moratorium. I encourage you to co-sponsor or make it a priority to pass a bill, like H.R. 3678, which would continue the federal Internet tax moratorium for four more years.

Sincerely,

Joy Howell
Executive Director
Financial Publishers Association