Fifty-seventh Legislative Assembly of North Dakota

HOUSE CONCURRENT RESOLUTION NO. 3012

Introduced by

Representatives Wald, Keiser, Timm

Senators Lee, D. Mathern, Urlacher

1	A concurrent resolution urging Congress to reject any attempt to extend the Internet Tax
2	Freedom Act moratorium on imposition of state and local taxes on internet access and on
3	electronic commerce transactions.
4	WHEREAS, in 1998 the 105th Congress passed and the President signed into law the
5	Internet Tax Freedom Act, establishing a three-year moratorium on the imposition of any state
6	and local tax on internet access, and on electronic commerce transactions, with the exception
7	of existing laws in twelve states that were "grandfathered" into compliance by the Act; and
8	WHEREAS, the current moratorium expires October 21, 2001; and
9	WHEREAS, no state attempted or even announced any desire to tax internet access, or
10	apply multiple or discriminatory taxes to the internet during the moratorium; and
11	WHEREAS, two of the original grandfathered states have by legislative action removed
12	taxes on internet access; and
13	WHEREAS, several bills and amendments have been introduced in the 106th Congress
14	to either make the moratorium on state and local taxes permanent or extend it for another two
15	to ninety-nine years; and
16	WHEREAS, extending or making permanent the moratorium will pose grave financial
17	risks for state and local governments as well as telecommunications industry providers; and
18	WHEREAS, with the increasing convergence of technologies and mergers of industry
19	giants, the present definition of internet access may become inadequate to define exactly which
20	communications technologies will fall into the category of internet access as soon as next year;
21	and
22	WHEREAS, with the mergers of internet service providers and cable television and
23	telephone companies, internet access may soon mean a consumer's monthly access to the
24	internet includes telephone service and cable television, all of which the provider could bundle
25	for one fee under the banner of internet access; and

WHEREAS, in such situations, state and local governments could see major reductions
in revenues as existing state and local taxes on telecommunications services and cable
television could fall under the moratorium and therefore be preempted by federal law; and
WHEREAS, the states' inability to collect these taxes will create an unfair competitive
advantage for internet service providers at the expense of traditional telecommunications
service providers and cable operators;
NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES
OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:
That the Fifty-seventh Legislative Assembly joins the National Conference of State
That the Fifty-seventh Legislative Assembly joins the National Conference of State Legislatures in urging Congress to reject any attempt to extend the Internet Tax Freedom Act
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Legislatures in urging Congress to reject any attempt to extend the Internet Tax Freedom Act
Legislatures in urging Congress to reject any attempt to extend the Internet Tax Freedom Act moratorium on imposition of state and local taxes on internet access and on electronic

BE IT FURTHER RESOLVED, that a copy of this resolution be delivered to the President of the United States, the chairman of the House Judiciary Committee, the chairman of the Senate Commerce, Science, and Transportation Committee, and to each member of the North Dakota Congressional Delegation.