

106TH CONGRESS  
2D SESSION

**H. R. 3916**

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**AN ACT**

To amend the Internal Revenue Code of 1986 to  
repeal the excise tax on telephone and other com-  
munication services.



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## AN ACT

To amend the Internal Revenue Code of 1986 to repeal the excise tax on telephone and other communication services.

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

1 **SECTION 1. REPEAL OF FEDERAL COMMUNICATIONS EX-**  
2 **CISE TAX.**

3 (a) IN GENERAL.—Chapter 33 of the Internal Rev-  
4 enue Code of 1986 (relating to facilities and services) is  
5 amended by striking subchapter B.

6 (b) PHASE-OUT OF TAX.—Paragraph (2) of section  
7 4251(b) of such Code (defining applicable percentage) is  
8 amended to read as follows:

9 “(2) APPLICABLE PERCENTAGE.—The term  
10 ‘applicable percentage’ means—

11 “(A) 2 percent with respect to amounts  
12 paid pursuant to bills first rendered on or after  
13 the 30th day after the date of the enactment of  
14 this subparagraph and before October 1, 2001,  
15 and

16 “(B) 1 percent with respect to amounts  
17 paid pursuant to bills first rendered after Sep-  
18 tember 30, 2001, and before October 1, 2002.”.

19 (c) CONFORMING AMENDMENTS.—

20 (1) Section 4293 of such Code is amended by  
21 striking “chapter 32 (other than the taxes imposed  
22 by sections 4064 and 4121) and subchapter B of  
23 chapter 33,” and inserting “and chapter 32 (other  
24 than the taxes imposed by sections 4064 and  
25 4121),”.

1           (2)(A) Paragraph (1) of section 6302(e) of such  
2 Code is amended by striking “section 4251 or”.

3           (B) Paragraph (2) of section 6302(e) of such  
4 Code is amended—

5                 (i) by striking “imposed by—” and all that  
6 follows through “with respect to” and inserting  
7 “imposed by section 4261 or 4271 with respect  
8 to”, and

9                 (ii) by striking “bills rendered or”.

10           (C) The subsection heading for section 6302(e)  
11 of such Code is amended by striking “COMMUNICA-  
12 TIONS SERVICES AND”.

13           (3) Section 6415 of such Code is amended by  
14 striking “4251, 4261, or 4271” each place it ap-  
15 pears and inserting “4261 or 4271”.

16           (4) Paragraph (2) of section 7871(a) of such  
17 Code is amended by inserting “or” at the end of  
18 subparagraph (B), by striking subparagraph (C),  
19 and by redesignating subparagraph (D) as subpara-  
20 graph (C).

21           (5) The table of subchapters for chapter 33 of  
22 such Code is amended by striking the item relating  
23 to subchapter B.

24           (d) EFFECTIVE DATES.—

1           (1) REPEAL.—The amendments made by sub-  
2           sections (a) and (c) shall apply to amounts paid pur-  
3           suant to bills first rendered after September 30,  
4           2002.

5           (2) PHASE-OUT.—The amendment made by  
6           subsection (b) shall apply to amounts paid pursuant  
7           to bills first rendered on or after the 30th day after  
8           the date of the enactment of this Act.

Passed the House of Representatives May 25, 2000.

Attest:

*Clerk.*