



For Immediate Release: April 24, 2007

Barrow: "Remember the *Maine*, but Forget About the Telephone Tax"

Georgia Congressman cosponsors bipartisan legislation to repeal the outdated federal "luxury tax" on local and long distance telephone service

Washington, DC - In 1898, to help pay for the Spanish-American War, Congress imposed a 1¢ excise tax on long distance telephone service. 109 years later, after a series of telephone tax increases and only temporary repeals, Congress is poised to do away with the outdated and unfair tax once and for all.

"History will always remember the *Maine*, but it's about time Congress said goodbye to the Phone Tax," 12th District Georgia Congressman John Barrow (D-Savannah) said. "This tax was created back when the telephone was thought to be a luxury item. One hundred years later, the telephone is a necessity - not a luxury - and it shouldn't be taxed by Uncle Sam."

Joining a bipartisan group of supporters to permanently repeal the federal tax on local and long distance calls, Barrow this week cosponsored H.R.1194, the *Telephone Excise Tax Repeal Act of 2007*. The bill was originally introduced earlier this year by fellow Georgia Congressman John Lewis.

Under current law, local and long distance telephone calls are taxed by the federal government at a rate of 3%. The tax was permanently extended in 1990, and has survived numerous attempts at repeal. Last year the IRS announced that it would issue three years' worth of refunds on the telephone tax for any individual's 2006 tax returns. The amount varied between \$30 and \$60, based on family size. Still, the tax remains on the books and continues to be added to monthly phone bills.

"Three percent of your long distance bill may not seem like a lot to some people, but it's a monthly burden for any family struggling to make ends meet on a budget," Barrow said. "I was glad to see that the IRS decided to refund that tax this year. But permanent repeal is the only way to get rid of this tax once and for all."

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