

106TH CONGRESS
2^D SESSION

H. R. 3916

IN THE SENATE OF THE UNITED STATES

MAY 25, 2000

Received; read twice and referred to the Committee on Finance

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:

JEFF TRANDAHL,

Clerk.