

**Union Calendar No. 346**

106TH CONGRESS  
2D SESSION

**H. R. 3916**

**[Report No. 106-631]**

---

---

**A BILL**

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

---

---

MAY 22, 2000

Reported with an amendment, committed to the Com-  
mittee of the Whole House on the State of the Union,  
and ordered to be printed



# Union Calendar No. 346

106TH CONGRESS  
2D SESSION

# H. R. 3916

[Report No. 106-631]

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

---

## IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2000

Mr. PORTMAN (for himself, Mr. MATSUI, Mr. DREIER, Mr. FROST, Mr. WATTS of Oklahoma, Mr. CARDIN, Mr. MCCRERY, Mr. BECERRA, Ms. DUNN, Ms. LOFGREN, Mr. GARY MILLER of California, Mr. SMITH of Washington, Mr. MCINNIS, Mr. SNYDER, Mr. TERRY, and Mr. BENTSEN) introduced the following bill; which was referred to the Committee on Ways and Means

MAY 22, 2000

Additional sponsors: Mrs. EMERSON, Mr. COX, Mr. DAVIS of Virginia, Mr. BOEHNER, Mr. BOUCHER, Mr. THOMAS, Mr. SHAYS, Mr. JONES of North Carolina, Mr. WELDON of Florida, Ms. MCCARTHY of Missouri, Mr. NUSSLE, Mr. HAYWORTH, Mr. SALMON, Mr. ARMEY, Mr. McDERMOTT, Mr. EHRLICH, Mr. WATKINS, Mr. HOBSON, Mr. FOLEY, Mr. RAMSTAD, Mrs. JOHNSON of Connecticut, Mrs. MYRICK, Mr. SAM JOHNSON of Texas, Mr. BLUNT, Mr. KENNEDY of Rhode Island, Mr. FOSSELLA, Ms. BERKLEY, Mr. , Mr. PASTOR, Mr. STEARNS, Mr. ISTOOK, Mr. COLLINS, Mr. HERGER, Mr. DEAL of Georgia, Mr. MANZULLO, Mr. OXLEY, Mr. BARTON of Texas, Mr. HALL of Texas, Mr. BAKER, Mr. CUNNINGHAM, Mr. BEREUTER, Mr. COBURN, Mrs. LEWIS of Kentucky, Mr. FRELINGHUYSEN, Mr. CAMP, Mr. CRANE, Mr. HOUGHTON, Mr. HULSHOF, Mr. SHAW, Mr. WELLER, Mr. JEFFERSON, Ms. DANNER, Mr. GILCHREST, Mr. PICKERING, Mr. GILLMOR, Mr. McKEON, Mrs. CAPPS, Mr. CHABOT, Mr. DUNCAN, Mr. REYNOLDS, Mr. RAHALL, Mr. GORDON, Mr. GEKAS, Mr. SMITH of New Jersey, Mr. ISAKSON, Mr. MENENDEZ, Mr. LARGENT, Mr. McHUGH, Mr. TANCREDO, Mr. SWEENEY, Mrs. TAUSCHER, Mrs. THURMAN, Mr. GONZALEZ, Mr. DOOLEY of California, Mr. TURNER, Mr. ROGAN, Mr. MEEKS of New York, Mr. FORD, Mr. KNOLLENBERG, Mr. HUTCHINSON, Mr. GREEN of Texas, Mr. GREEN of Wisconsin, Mr. WAL-

DEN of Oregon, Mr. FRANKS of New Jersey, Mr. PALLONE, Ms. RIVERS, Mr. LOBIONDO, Mr. FORBES, Mr. MILLER of Florida, Mr. CONDIT, Mr. LIPINSKI, Mr. RODRIGUEZ, Mr. MORAN of Virginia, Mr. ROYCE, Mr. GOODLATTE, Mr. GIBBONS, Mr. RUSH, Mr. POMBO, Mr. SHADEGG, Mrs. KELLY, Mr. WHITFIELD, Mr. SUNUNU, Mr. PRICE of North Carolina, Mr. RADANOVICH, Mr. WELDON of Pennsylvania, Mr. SPENCE, Mr. SESSIONS, Mrs. MCCARTHY of New York, Mr. DOOLITTLE, Mr. HOEKSTRA, Mr. PASCRELL, Mr. ORTIZ, Mr. QUINN, Mr. DEFazio, Ms. SANCHEZ, Mr. GALLEGLY, Ms. ROYBAL-ALLARD, Ms. JACKSON-LEE of Texas, Mr. HOEFFEL, Mrs. BIGGERT, Mr. CROWLEY, Mr. EVANS, Mr. GREENWOOD, Mr. SENSENBRENNER, Mr. BOEHLERT, Mr. CRAMER, Mr. ETHERIDGE, Mrs. JONES of Ohio, Mr. WICKER, Mr. HILLEARY, Mr. THUNE, Mr. WISE, Mr. FALEOMAVAEGA, Mr. BARRETT of Wisconsin, Mr. WALSH, Mr. PICKETT, Mr. HILL of Indiana, Mr. KUYKENDALL, Mr. OSE, Mrs. ROUKEMA, Mr. BARR of Georgia, Mr. GRAHAM, Mr. BARTLETT of Maryland, Mr. MORAN of Kansas, Mr. TOOMEY, Mr. GOSS, and Mr. HINOJOSA

MAY 22, 2000

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

---

## A BILL

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,*

3 **SECTION 1. REPEAL OF EXCISE TAX ON TELEPHONE AND**  
4 **OTHER COMMUNICATIONS SERVICES.**

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

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 4293 of such Code is amended by  
10 striking “chapter 32 (other than the taxes imposed

by sections 4064 and 4121) and subchapter B of chapter 33,” and inserting “and chapter 32 (other than the taxes imposed by sections 4064 and 4121),”.

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

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

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

(ii) by striking “bills rendered or”.

(C) The subsection heading for section 6302(e) of such Code is amended by striking “COMMUNICATIONS SERVICES AND”.

(3) Section 6415 of such Code is amended by striking “4251, 4261, or 4271” each place it appears and inserting “4261 or 4271”.

(4) Paragraph (2) of section 7871(a) of such Code is amended by inserting “or” at the end of subparagraph (B), by striking subparagraph (C), and by redesignating subparagraph (D) as subparagraph (C).

1           ~~(5) The table of subchapters for chapter 33 of~~  
 2           such Code is amended by striking the item relating  
 3           to subchapter B.

4           ~~(e) EFFECTIVE DATE.—~~The amendments made by  
 5 this section shall apply to amounts paid pursuant to bills  
 6 first rendered more than 90 days after the date of the  
 7 enactment of this Act.

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

10       (a) *IN GENERAL.*—Chapter 33 of the Internal Revenue  
 11 Code of 1986 (relating to facilities and services) is amended  
 12 by striking subchapter B.

13       (b) *PHASE-OUT OF TAX.*—Paragraph (2) of section  
 14 4251(b) of such Code (defining applicable percentage) is  
 15 amended to read as follows:

16           “(2) *APPLICABLE PERCENTAGE.*—The term ‘ap-  
 17 plicable percentage’ means—

18                       “(A) 2 percent with respect to amounts paid  
 19 pursuant to bills first rendered on or after the  
 20 30th day after the date of the enactment of this  
 21 subparagraph and before October 1, 2001, and

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

25       (c) *CONFORMING AMENDMENTS.*—

1           (1) *Section 4293 of such Code is amended by*  
 2           *striking “chapter 32 (other than the taxes imposed by*  
 3           *sections 4064 and 4121) and subchapter B of chapter*  
 4           *33,” and inserting “and chapter 32 (other than the*  
 5           *taxes imposed by sections 4064 and 4121),”.*

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

8           (B) *Paragraph (2) of section 6302(e) of such*  
 9           *Code is amended—*

10               (i) *by striking “imposed by—” and all that*  
 11               *follows through “with respect to” and inserting*  
 12               *“imposed by section 4261 or 4271 with respect*  
 13               *to”, and*

14               (ii) *by striking “bills rendered or”.*

15           (C) *The subsection heading for section 6302(e) of*  
 16           *such Code is amended by striking “COMMUNICATIONS*  
 17           *SERVICES AND”.*

18           (3) *Section 6415 of such Code is amended by*  
 19           *striking “4251, 4261, or 4271” each place it appears*  
 20           *and inserting “4261 or 4271”.*

21           (4) *Paragraph (2) of section 7871(a) of such*  
 22           *Code is amended by inserting “or” at the end of sub-*  
 23           *paragraph (B), by striking subparagraph (C), and by*  
 24           *redesignating subparagraph (D) as subparagraph (C).*

1           (5) *The table of subchapters for chapter 33 of*  
2           *such Code is amended by striking the item relating to*  
3           *subchapter B.*

4           (d) *EFFECTIVE DATES.—*

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

8           (2) *PHASE-OUT.—The amendment made by sub-*  
9           *section (b) shall apply to amounts paid pursuant to*  
10          *bills first rendered on or after the 30th day after the*  
11          *date of the enactment of this Act.*