

July 11, 2014

Re: Labor Unions Oppose HR 3086 (ITFA) Ban on Internet Access Taxes by State & Local Govts.

Dear Representative,

Our undersigned labor unions oppose a federal ban on the authority of state and local governments to impose taxes on internet access. Furthermore, our unions strenuously oppose the “Permanent Internet Tax Freedom Act” (H.R. 3086) and “Internet Tax Freedom Forever Act” (S. 1431), which both would ban internet access taxes permanently. This type of tax preemption is typically unwarranted because it restricts state and local government taxing authority unnecessarily, narrows the tax base, and often leads to unintended consequences. The internet’s huge economic value, its vast and expanding importance to daily life, and the vague statutory definition of “internet access” makes this particular carve out especially troubling and likely to cause fiscal problems.

While a short-term ban is less troubling than a permanent ban, it remains problematic and harmful to state and local government finances. Ideally, the existing temporary ban would be allowed to expire as scheduled on November 1, 2014. As new internet-based technology and related applications create increasingly efficient and effective services affecting our daily lives, we are extremely wary of a ban that is permanent. Congress should be extremely cautious before supporting a permanent tax exemption for internet access, which could set harmful, inappropriate, and costly precedents.

Years ago, some opined the internet might need time to grow because it was weak, tiny, or immature. In contrast, today’s internet is an enormously powerful driver of our economy, an integral part of our daily lives, and a valuable well developed industry. As the internet continues providing new and beneficial services to businesses and consumers, its contributions and centrality to America’s economy grows. Prohibiting these taxes would unfairly exempt this economic sector from contributing to our common well being and communities. In addition, this unneeded and undeserved carve out would unfairly shift its share of taxes to other services, sectors, and stakeholders. There is no reason to exempt internet providers and users from state and local government taxes.

Our labor unions urge you to oppose the “Permanent Internet Tax Freedom Act” (H.R. 3086) and “Internet Tax Freedom Forever Act” (S. 1431) and any similar permanent ban on state and local government internet access taxes. Thank you for your consideration of our views.

Sincerely,

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)

American Federation of State, County and Municipal Employees (AFSCME)

American Federation of Teachers (AFT)

American Federation of Government Employees (AFGE)

Communications Workers of America (CWA)

Department for Professional Employees, AFL-CIO (DPE)

International Association of Fire Fighters (IAFF)

International Federation of Professional and Technical Engineers (IFPTE)

International Union of Police Associations (IUPA)

National Education Association (NEA)

Service Employees International Union (SEIU)

United Food and Commercial Workers International Union (UFCW)

International Union, United Automobile, Aerospace & Agricultural Implement Workers of America (UAW)