

Taxpayers Association of Oregon

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Oregon currently imposes a 75 cent per month tax on the monthly bill of telecommunications subscribers. Prepaid telephone services where the customer pays all the costs of the service in advance and do not receive a monthly bill do not currently pay the tax. Providers of VoIP services also do not currently pay the tax. This legislation (HB 2075) seeks to expand the existing E-911 tax to prepaid telephone services and Voice over Internet Protocol (VoIP), and is therefore, properly considered a new tax. The additional revenue generated would go to the E-911 fund. Over the past 10-years, lawmakers have swept more than 20 million dollars from the E-911, strongly suggesting the current tax generates more than enough money to pay for the current needs of the program. In addition, revenue from the existing tax has increased dramatically over the years due to the explosive growth of cell phone subscribers and will continue to go up so long as cell phone services continue to grow.

Those who buy prepaid cell phones are often the lowest income Oregonians and those trying to save every penny they can. Why are we heaping a tax on these low income Oregonians and the cost-savings companies that have built a helpful market appealing to them?

Vote no on HB 2075.

MEASURE: HB 2075
EXHIBIT: 11
HOUSE REVENUE COMMITTEE
DATE: 5/17/00 PAGES: 1
SUBMITTED BY: TAXPAYER ASSN.