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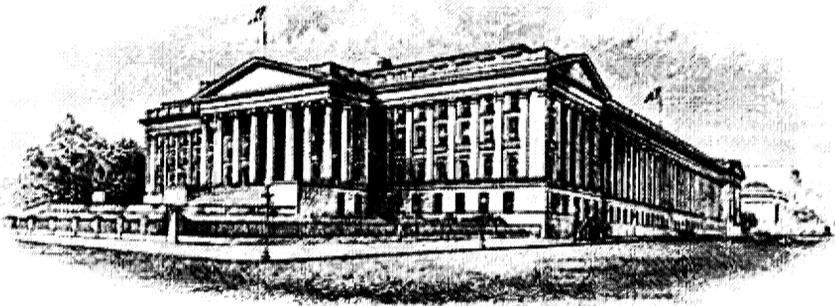
May 25, 2006

TREASURY WINS ONE FOR THE TAXPAYERS

Cosponsor H.R. 1898 to repeal the excise tax on ALL telecommunications services

Dear Colleague,

I want to draw your attention to the announcement today by the Treasury Department to end collection of the excise tax on long-distance telecommunications services. At odds with the Justice Department and after eleven consecutive losses by the Internal Revenue Service (IRS), Treasury Secretary John Snow announced that collection of the three percent excise tax on long-distance services will end on July 31, 2006. This decision brings us one step closer to full repeal of this unnecessary tax.



U.S. TREASURY DEPARTMENT OFFICE OF PUBLIC AFFAIRS

TREASURY ANNOUNCES END TO LONG-DISTANCE TELEPHONE EXCISE TAX

WASHINGTON, DC - The U.S. Treasury Department today announced it is conceding the legal dispute over the federal excise tax on long-distance telephone service. The Department of Justice will no longer pursue litigation and the Internal Revenue Service (IRS) will issue refunds of tax on long-distance service for the past three years. Taxpayers will be able to apply for refunds on their 2006 tax forms, to be filed in 2007.

Treasury Secretary John Snow states, "Today is a good day for American taxpayers; it marks the beginning of the end of an outdated, antiquated tax that has survived a century beyond its original purpose, and by now should have been ancient history.

"The Federal Appeals courts have spoken across the board. It's time to 'disconnect' this tax and put it on the permanent 'do not call' list.

"In addition to ending the litigation, I would like to call on Congress to terminate the remainder of this antique tax by repealing the excise tax on local service as well."

Enacted in 1898, this antiquated tax on telecommunications services was used to pay for the Spanish-American War. With more telephones than people in the United States today, this excise tax represents the polar opposite of a luxury tax, and merely serves to raise prices for consumers. Other items subject to a "luxury" tax include airplane tickets, beer and liquor, firearms and cigarettes. Clearly, the telephone is a necessity in 2006, and thus does not fit with this list of "luxury" items.

America won the Spanish-American War in 1898. American taxpayers have finally won an important battle in the war against unnecessary taxation of their telephone services. Today's announcement takes us one step closer to full repeal of this unnecessary tax. While the tax on long-distance services will end soon, I urge you to join me in full repeal of this burdensome tax. To cosponsor H.R. 1898, the Telephone Excise Tax Repeal Act, please contact Janet Worthington of my staff.

Sincerely,

GARY G. MILLER
Member of Congress