



City of Cambridge

58.

IN CITY COUNCIL

October 20, 1997

COUNCILLOR DUEHAY
VICE MAYOR BORN
COUNCILLOR DAVIS
COUNCILLOR GALLUCCIO
COUNCILLOR REEVES
COUNCILLOR TRIANTAFILLOU

WHEREAS: The United States Senate Commerce Committee intends to report out an amendment to bar state and local taxation of products and services provided over the Internet; and

WHEREAS: The Congressional Budget Office has previously ruled that the Internet Tax Freedom Act violates the Unfunded Federal Mandates Relief Act and would reduce current revenues to state and local governments in excess of \$50 million annually; and

WHEREAS: The bill would undercut current and future state and local revenues used for balancing budgets and would discriminate against local merchants who would continue to collect local taxes; and

WHEREAS: The bill would preempt state and local governments from collecting fees or taxes on communications or transactions over the Internet or Internet provider services until after January 1, 2003; and

WHEREAS: The principles of federalism have long maintained the right of state and local entities to collect taxes; and

WHEREAS: Companies operating over the Internet would have the advantage of tax-free pricing that could undermine their local business competition; and

WHEREAS: Local small businesses would suffer an increased tax burden to make up for the lost state and local revenues; and

WHEREAS: The bill would apply to existing taxes which would have to be discontinued resulting in lost revenues and budget problems for state and local governments; now therefore be it

RESOLVED: That the City of Cambridge calls upon our elected representatives in the United States Congress to vote against any amendment that would prevent state and local government from charging taxes and fees to companies that provide products or services on the Internet; and be it further

City of Cambridge

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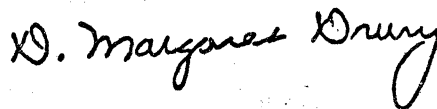
RESOLVED: That the City Clerk send copies of this resolution to Senators Kerry and Kennedy, to Congressman Joseph P. Kennedy, Jr. and to the entire Massachusetts Congressional delegation.

In City Council October 20, 1997.

Adopted by the affirmative vote of nine members.

Attest:- D. Margaret Drury, City Clerk.

A true copy;

A handwritten signature in cursive script that reads "D. Margaret Drury".

ATTEST:-

D. Margaret Drury
City Clerk

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COUNCILOR DUEHAY

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- RESOLVED: That the City of Cambridge calls upon our elected representatives in the United States Congress to vote against any amendment that would prevent state and local governments from charging taxes and fees to companies that provide products or services on the Internet.
- RESOLVED: That the City Clerk send copies of this resolution to Senators Kerry and Kennedy, to Congressman Joseph P. Kennedy, Jr. and to the entire Massachusetts Congressional delegation.

RECEIVED BY
OFFICE OF CITY CLERK
97 OCT 15 PM 3:05
CAMBRIDGE MA.



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Born, Davis, Galluccio, Reeves
Consent Order #58 Triantafyllou S-665

Councillor Duehay re: To vote against
any amendment that would prevent
state and local government from
charging taxes and fees to companies
that provide products or services
on the Internet.

In City Council October 20, 1997

ORDER ADOPTED