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**U.S. Representative**

***John Spratt***

South Carolina ■ 5th District

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**News Release**

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**Spratt Votes To Kill Telephone Tax**

**WASHINGTON — U.S. Rep. John Spratt (D-SC) today joined a majority of his House colleagues in voting to kill a telephone excise that has been on the books since 1898 and was enacted to help pay for the Spanish-American war.**

“The war’s over,” said Spratt, “and finally, so is this tax.”

Spratt said the tax, at the time it was enacted, was considered a luxury tax, when only 1300 American households had telephones. Today, 94% of households have phone service. The tax was first applied to long distance service, but in 1941 it was extended to general phone use.

The rate, which has changed over the years, is now 3% on all telecommunications services, including standard, wireless, and computer services.

“The tax doesn’t benefit the telecommunications industry directly,” said Spratt, “because the revenues from it flow to the Treasury’s general fund, rather than being earmarked for a specific purpose. Now that the general fund is in surplus, the tax can and ought to be ended.”

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