

### **Personal Statement Of Commisioner John W. Sidgmore**

I want to express my thanks to all the members of the Advisory Commission on Electronic Commerce for their contributions to the work of the Commission. I also want to acknowledge the Chairman, Governor James S. Gilmore III, for the leadership he provided to the Commission.

Unfortunately, logistical problems prevented my attending the last conference call. Nevertheless, I want to express my support for the report adopted by the majority of the Commission. If I had been able to attend, my vote would have been cast for its release to Congress.

It is an achievement whenever a majority can agree to a solution to a complex problem. This Commission has accomplished such an achievement after many months of fact gathering and spirited debate. Many of the recommendations adopted by the majority will result in reductions to taxes paid by consumers. Two are especially noteworthy: the recommendation to permanently repeal taxes on Internet access and the recommendation to repeal the federal excise tax (first instituted to fund the Spanish American War in 1898). These reforms will promote increased access to essential technology and help bridge the Digital Divide.

In my view, the majority recommendation is not an anti-tax proposal. The Internet is still in its relative infancy. A limited extension of the current tax moratorium recommended by the majority of this Commission is a fair compromise on a difficult issue that will allow time for all sides to continue to gather much-needed data and further study the issues. At the same time, the extension of the tax moratorium will give state and local governments time to simplify their complicated taxing structures, a goal that most members of this Commission have endorsed.

I hope Congress finds this report useful in formulating tax policy for electronic commerce for the new millenium.