



Federal law preventing taxes on Internet set to expire soon

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CHARLOTTE, N.C. — New taxes may be coming for a common monthly bill unless Congress acts. The days of a tax-free Internet service could be numbered. Web access could soon be taxed by state and local governments.

A federal law prevents taxes on email and Internet access services, but it will expire on Oct. 1 unless the Senate renews the law.

The libertarian Cato Institute said people will get hit with a flood of new taxes on their Internet services if Congress does nothing.

State and local governments are bringing in big money by taxing cellphone service. About 17 to 20 percent of cellphone bills are taxes, and what customers could expect to be added to their monthly Internet bill.

There is legislation, with bipartisan support, to permanently ban taxes for web access. It's being held hostage as leverage in another tax battle.

The Senate majority leaders have yet to schedule a vote.

Channel 9 sources said Senate leaders could extend the tax ban in a budget Congress will consider later this month.

Congress has extended the ban on Internet taxes five times, sometimes retroactively or right before expiration.