



June 5, 2007

Dear Representative:

The Internet has been a remarkable engine of economic growth and innovation over the past decade, in large part because it has operated as a free market without undue taxes or regulation. With the existing Internet tax moratorium set to expire in November, **we urge you on behalf of our members to support extending the moratorium into a permanent ban.**

The current ban prohibits taxes on Internet access, including broadband as well as dialup connections. It also prohibits discriminatory taxes that treat Internet transactions different from other transactions, as well as duplicate taxes. The ban is not a special exemption for Internet-based companies, who remain subject to broad-based taxes.

If the moratorium is allowed to expire on November 1, 2007, states will likely impose new taxes on Internet access fees, as well as bit-taxes on downloads, and perhaps even email taxes. There would be unlimited potential for taxation that would impede the flow of commerce and information on the Internet and shut down a great engine of economic growth.

The moratorium has kept consumers' Internet bills uncluttered by the myriad taxes and fees that they are forced to pay on their phone and cable bills, for instance. It is hard to argue with the clear policy success of the moratorium. Another temporary extension will leave open the possibility of such counterproductive taxes being imposed in the future. The moratorium should therefore be extended into a permanent ban that will protect Internet users from unnecessary taxation and create a more predictable policy environment.

Sincerely,

Tim Phillips
President
Americans for Prosperity

Jason Wright
President
Institute for Liberty

Grover Norquist
President
Americans for Tax Reform

David Keene
Chairman
American Conservative Union

Mark Chmura
Executive Director
Americans for the Preservation of Liberty

Ryan Ellis
Executive Director
American Shareholders Association

Andrew F. Quinlan
President
Center for Freedom and Prosperity

Jeffrey Mazzella
President
Center for Individual Freedom

Tom Schatz
President
Council for Citizens Against Government Waste

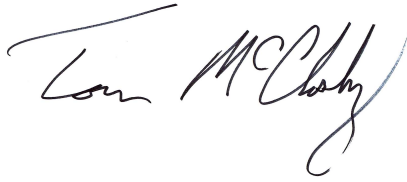
Pat Toomey
President
The Club for Growth

Paul M. Weyrich
National Chairman
Coalitions for America

Matthew J. Brouillette
President and CEO
Commonwealth Foundation

Fred L. Smith, Jr.
President
Competitive Enterprise Institute

John McClaughry
President
Ethan Allen Institute



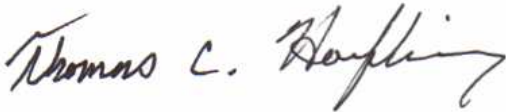
Tom McClusky
Vice President of Government Affairs
Family Research Council



Tom Kilgannon
President
Freedom Alliance



Richard O. Rowland
President
Grassroot Institute of Hawaii



Tom Hoefling
Chairman
Idahoans for Tax Reform



Dr. Don Racheter
Moderator
Iowa Wednesday Group

Richard Falknor
Executive Vice-President
Maryland Taxpayers Association, Inc.



Derek Hunter
Executive Director
Media Freedom Project



Amy Ridenour
President
National Center for Public Policy Research



Lew Uhler
President
The National Tax Limitation Committee



Kristina Rasmussen
Director of Government Affairs
National Taxpayers Union



Jim Martin
President
60 Plus Association



Karen Kerrigan
President & CEO
SBE Council



Phil Krinkie
President
Taxpayers League of Minnesota

Rick Durham
President
Tennessee Tax Revolt