

INTERNAL REVENUE SERVICE

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[REDACTED]

Attn: [REDACTED]

Dear [REDACTED]

I am responding to your letter of January 18, 2001, forwarding correspondence you received from your constituent, [REDACTED]. He asked whether the federal excise tax of 3 percent of amounts paid for telephone service has been repealed.

The excise tax on local and toll telephone service has not been repealed. H.R. 4516, the Legislative Branch and the Treasury and General Government Appropriations Act, 2001 included legislation to repeal the federal excise tax on communications services. However, President Clinton vetoed H.R. 4516 on October 30, 2000, and the Congress took no subsequent action.

I hope this information helps you respond to [REDACTED]. If you have any questions, please contact me or [REDACTED]

Sincerely,

Associate Chief Counsel
(Passthroughs and Special Industries)

By:

Richard A. Kocak
Chief, Branch 8