

**PRESS RELEASE - April 30, 2004**

**NEW BILL KEEPS THE INTERNET TAX-FREE**

OLYMPIA - During the recent Legislative session, local Internet businesses and industry groups supported a bill to keep Internet services tax-free, in Washington at least. SB 6259 extends the moratorium on cities and towns imposing new taxes on Internet Service Providers (ISPs).

Jacob Stewart, Vice-President of the Washington Association of Internet Service Providers (WAISP) suggests, "This tax moratorium extension is important to encourage the use of new Internet technologies by not encumbering users with confusing and redundant taxes."

Gary Gardner, Executive Director of WAISP, hopes for a fair chance for ISPs who continue to pay the Business and Occupancy (B&O) taxes assessed to general service businesses. "We don't feel ISPs should pay a separate rate of B&O tax than other businesses, and we continue to oppose any sort of tax on either ISPs or their customers simply for the privilege of accessing the Internet."

Dave Olson, of Zhonka Broadband, an Olympia-based ISP, sees some comfort from the extension. "This bill enables ISPs to confidently expand broadband service to under-served markets across the digital divide, resulting in increased marketplace choice in areas like Grays Harbor and the Olympic Peninsula."

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A similar Federal bill (HB 49) passed in the U.S. House of Representatives last year. However the companion Senate bill (SB 150) failed, opening the door for municipalities to levy additional taxes on ISPs and their customers.

As the U.S. Senate again debates the Internet Tax Nondiscrimination Act, President Bush offered his encouragement, saying, "If you want broadband access throughout the society, Congress must ban taxes on access."

In Washington, we already have.



Ron Main of Cable Communications Assoc., Dave Olson of Zhonka Broadband, and Jacob Stewart & Gary Gardner of WAISP join Gov. Locke for SB 6259 bill signing on March 26 2004. High-resolution picture available at: [www.zhonka.net/media.html](http://www.zhonka.net/media.html)

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"President Unveils Tech Initiatives" April 26 2004

<http://www.whitehouse.gov/news/releases/2004/04/20040426-6.html>

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