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## Texans paying some of the highest telecom taxes in nation, study shows

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Texas has the third highest telecommunication taxes in the country, according to the results of a recent study by the Texas Public Policy Foundation.

The foundation is a non-profit, free-market research institute based in Austin.

"A Texas consumer that has a home telephone, a cell phone, and cable television service pays an average of \$26.51 per month just for taxes," says Bill Peacock, director of the foundation's Center for Economic Freedom.

Peacock says Texas has a combined tax rate of nearly 19 percent on overall telecommunications spending.

The report, "Taxes and Fees on Telecommunications Services in Texas," analyzed the monthly taxes and rates on various telecommunications services in 12 Texas cities.

Texas wireline telephone consumers paid an average tax rate of 22.3 percent, compared against a national average of 17.23 percent. Texas wireless telephone consumers paid an average tax rate of 19.25 percent, compared against a national average of 11.90 percent.

Texas Voice over Internet Protocol (VoIP) subscribers paid an average tax rate of 16.40 percent, while Texas cable customers paid an average tax rate of 14.33 percent. There are no national average available for VoIP or cable customer, according to the foundation.

In contrast, subscribers to satellite television services paid only the state sales tax rate of 6.25 percent.

Peacock says he hopes the report will give legislators the information they need to approve HB 735, which would repeal the 1.25 percent Telecommunications Infrastructure Fund tax on wireline and wireless phone services.

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