



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 28, 2011

H.R. 1002 **Wireless Tax Fairness Act of 2011**

As ordered reported by the House Committee on the Judiciary on July 14, 2011

SUMMARY

H.R. 1002 would prohibit state and local governments from imposing certain new taxes on providers of wireless communications service for five years after enactment of the legislation. The bill would also require the Government Accountability Office (GAO) to conduct a study examining the impact of the moratorium on consumers. CBO estimates that enacting H.R. 1002 would have no significant impact on the federal budget.

Pay-as-you-go procedures do not apply to this legislation because it would not affect direct spending or revenues.

H.R. 1002 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA), but CBO estimates that the mandate would impose no cost on state, local, or tribal governments. This bill contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

H.R. 1001 would not assign any significant new responsibilities to any federal agencies, and CBO estimates that implementing the legislation would have no significant cost to the federal government.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

The bill would impose an intergovernmental mandate as defined in UMRA because it would preempt the authority of state and local governments to impose new taxes, or change existing taxes, on wireless services, providers, or property. The authority of state and local governments to impose or change taxes that they broadly impose on services, businesses, or property would be preserved under the bill. The bill also would not preempt the

authority of governments to collect revenue from taxes on wireless services that have already been enacted and enforced. CBO did not identify any state or local governments that planned to change or impose new wireless taxes in the next five years; therefore, CBO estimates that the preemption would impose no cost on state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

This bill contains no private-sector mandates as defined in UMRA.

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