

**As Introduced**

**133rd General Assembly  
Regular Session  
2019-2020**

**S. R. No. 528**

**Senator Sykes**

**Cosponsors: Senators Antonio, Craig, Maharath**

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**A R E S O L U T I O N**

To urge the Congress of the United States to enact 1  
legislation to continue allowing Ohio to impose 2  
sales taxes on certain internet access services. 3

**BE IT RESOLVED BY THE SENATE OF THE STATE OF OHIO:**

WHEREAS, The Internet Tax Freedom Act, first enacted by the 4  
Congress of the United States in 1998, largely prohibits states 5  
from imposing taxes on Internet access services; and 6

WHEREAS, As an exception, the Act includes a grandfather 7  
clause allowing states that had been taxing Internet services 8  
before the Internet Tax Freedom Act took effect to continue to 9  
do so; and 10

WHEREAS, Ohio and its counties and transit authorities 11  
levied sales taxes on Internet access services purchased by 12  
businesses before the Act was enacted, and so was authorized 13  
under the grandfather clause to continue this levy; and 14

WHEREAS, Ohio's economy has suffered immensely as a result 15  
of the pandemic caused by COVID-19; and 16

WHEREAS, Already the result of revenue forgone due to the 17  
pandemic, the Governor of Ohio has announced \$775 million in 18  
budget cuts for fiscal year 2020, including over \$300 million in 19  
funding for education; and 20

WHEREAS, The number of Ohioans claiming unemployment 21  
benefits during the pandemic has now exceeded one million, 22  
posing an additional financial burden on the state; and 23

WHEREAS, Ohio is also endeavoring to repay over \$3 billion 24  
in federal unemployment compensation loans; and 25

WHEREAS, The Internet Tax Freedom Act was originally 26  
motivated by the concern that taxation of Internet access would 27  
jeopardize the viability and proliferation of the then-novel 28  
technology; and 29

WHEREAS, The grandfather clause was originally scheduled 30  
to expire after three years but has been extended repeatedly by 31  
Congress, at least partly in recognition of the world wide web's 32  
pervasion of commerce, society, and individuals' daily 33  
activities in spite of the grandfathered taxes; and 34

WHEREAS, The grandfather clause is currently scheduled to 35  
expire on June 30, 2020; and 36

WHEREAS, Ohio and local subdivisions stand to lose annually 37  
upwards of \$200 million in sales tax revenue as the result of 38  
the grandfather clause's expiration; and 39

WHEREAS, Delaying the expiration of the grandfather clause 40  
and thus allowing Ohio to continue to levy sales tax on business 41  
Internet access services would significantly reduce the economic 42  
burden imposed by the COVID-19 pandemic, and help Ohio to stave 43  
off further fiscal hardship; now therefore be it 44

RESOLVED, That we, the members of the Senate of the 133rd 45  
General Assembly of the State of Ohio, urge Congress to enact 46  
legislation delaying the expiration of the grandfather clause in 47  
light of the state's worsening fiscal condition from the 48  
economic impact of the COVID-19 pandemic; and be it further 49

RESOLVED, That the Clerk of the Senate transmit a duly 50  
authenticated copy of this resolution to the Speaker and Clerk 51

of the United States House of Representatives, the President Pro	52
Tempore and Secretary of the United States Senate, each member	53
of the Ohio Congressional delegation, and the news media of	54
Ohio.	55