

U.S. proposes VoIP tax for rural broadband

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Two congressmen have proposed levying a tax on broadband and Internet telephony as a means of funding rural broadband expansion.

The proposal released Thursday will be open for comment until Christmas and will likely be debated in the House Energy and Commerce Committee next year.

CNet.com said Friday that the new tax was considered necessary because the Universal Service Fund, which subsidizes rural and high-cost areas, has been under-funded.

The proposal would charge independent VoIP providers as well as major cable companies such as Time-Warner that include VoIP in their menu of services.

"The current state of USF is doomed," Rep. Lee Terry, R-Neb., said in a statement. "There are too few users paying into USF to meet the growing needs."

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