

Rep. Louise M. Slaughter (D-N.Y.) announced that she is working with a cross-section of Democrats and Republicans to win a change in tax law that will help protect phone service for consumers in 14 states. The initiative grew out of concern that some large phone companies, including Verizon, may try to use an obscure tax provision to make a profit on their phone lines by selling them to small companies that are unable to maintain and run the lines.

“This tax avoidance loophole does nothing to help people in rural communities who rely on traditional landlines for their phone service,” Slaughter said. “If these transactions are allowed to go forward, Verizon may drop landlines in 14 different states, a development that would mean a loss of jobs for workers and poor quality phone service for millions of Americans. I look forward to working closely with Ways and Means Committee Chairman Charles Rangel on this critical provision.”

Slaughter said the tax loophole, known as a “Reverse Morris Trust,” is already under scrutiny by some members of Congress. A letter to Rangel asking him to renew his effort to limit Reverse Morris Trust transactions was signed by Slaughter, as well as Reps. Nick Rahall (D-W.V.), Alan Mollohan (D-W.V.), Thaddeus McCotter (R-Mich.), Collin Peterson (D-Minn.), Betty McCollum (D-Minn.), John Tierney (D-Mass.), Eric Massa (D-N.Y.), John Murtha (D-Penn.), Jim Oberstar (D-Minn.), Marcy Kaptur (D-Ohio), Steve Kagen (D-Wis.), Peter DeFazio (D-Oregon), Timothy Walz (D-Minn.), Jerry Costello (D-Ill.), Baron Hill (D-Ind.), Keith Ellison (D-Minn.), Betty Sutton (D-Ohio), Phil Hare (D-Ill.), Jan Schakowsky (D-Ill.) and Dennis Kucinich (D-Ohio).

### Documents

- [Letter to Congressman Rangel](#)