

Resident Sues AT&T

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AT&T is being sued by a Stamford resident for allegedly charging a 6 percent sales tax on cellular Internet service when the service is not supposed to be taxed.

“This is one of more than a dozen similar lawsuits filed this week in other states nationwide,” said Michael P. Koskoff of Bridgeport-based Koskoff, Koskoff & Bieder, which represents David Rock, an AT&T service subscriber. “Connecticut law does impose sales tax on telecommunications services, but the law specifically excludes Internet access from sales tax, in accordance with federal law. Despite this prohibition, AT&T for years has improperly and illegally charged Connecticut consumers sales tax on Internet access.”

The telecommunications company, which employs about 6,800 in Connecticut, had no comment on the lawsuit other than to say AT&T complies with all tax laws, said company spokesman Marty Richter.

Although the lawsuit is on Rock’s behalf, his attorneys are seeking class-action status to represent all Connecticut residents who use AT&T for Internet access by cellular phone or other hand-held electronic device. It’s not clear how many people that would be, but AT&T has the exclusive contract to provide Internet service to iPhone users, as well as providing service to many BlackBerry users and people with other wireless hand-held products.

The lawsuit is limited to Connecticut AT&T customers because states have different regulations. The lawsuit references the Internet Tax Freedom Act of 1998, which prohibited taxing Internet access to allow network access to grow in its early years.

The lawsuit says, “In failing to inform plaintiff and the class that it intended to charge them taxes that were not due and in collecting taxes that were not due, AT&T employed deception, fraud, false pretense, false promise, misrepresentation, unfair practice and omitted, concealed and suppressed material information.”

