

1 **COMMITTEE:** **Communications, Financial Services &**  
2 **Interstate Commerce**

3 **POLICY:** **National Conference of State Legislature**  
4 **Opposes the State Video Tax Fairness Act**

5 **TYPE OF POLICY:** **Action**

6 WHEREAS, Section 602 Telecommunications Act of 1996 prohibits political  
7 subdivisions of state governments from imposing and collecting taxes and fees  
8 on direct broadcasting satellite services (DBS); and  
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10 WHEREAS, Section 602 also preserves the authority of the states to impose and  
11 collect such taxes and fees on DBS and to remit some or all the proceeds of  
12 such taxes and fees to its political subdivisions; and  
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14 WHEREAS, the Congress prohibited such taxation by the states' political  
15 subdivisions not to provide the DBS industry with a tax advantage over other  
16 providers of video services but to spare the DBS industry, at that time a fledgling  
17 industry, from the administrative burden of collecting and remitting taxes to over  
18 7,500 taxing jurisdictions; and  
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20 WHEREAS, some states have recognized that DBS' exemption from the  
21 administrative burden of local taxation has created a competitive advantage for  
22 DBS over other multichannel video service providers and have achieved tax  
23 parity by enacting statutes that impose a state tax rate on DBS that appropriately  
24 takes into account all the state and local taxes and fees paid such other  
25 providers; and  
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27 WHEREAS, some states have remitted some or all of the proceeds from such  
28 taxes to local jurisdictions as permitted by Section 602; and  
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30 WHEREAS, the State Video Tax Fairness Act would label such tax arrangements  
31 as discriminatory taxation; and

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33 WHEREAS, the State Video Tax Fairness Act would interfere with state tax  
34 authority over multichannel video programming services, including digital  
35 broadcasting satellite services and reverse state action upheld by state and  
36 federal courts to ensure the parity in the tax treatment of multichannel video  
37 service providers; and

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39 WHEREAS, the State Video Tax Fairness Act would freeze into place the  
40 preferential treatment that DBS providers currently have over other multichannel  
41 video providers and prevent states from fairly equalizing the total tax burden  
42 imposed on these services;

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44 NOW, THEREFORE BE IT RESOLVED, that the National Conference of State  
45 Legislatures opposes the State Video Tax Fairness Act and;

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47 BE IT FURTHER RESOLVED, that NCSL calls upon the Congress to resist this  
48 unjustified interference into state efforts to create a tax neutral choice for  
49 consumers; and

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51 BE IT FURTHER RESOLVED, that a copy of this resolution be sent to all  
52 members of the 112<sup>th</sup> Congress and the President of the United States.