

1 **COMMITTEE: COMMUNICATIONS, FINANCIAL SERVICES AND**
2 **INTERSTATE COMMERCE**

3 **POLICY: NCSL OPPOSES THE STATE VIDEO TAX**
4 **FAIRNESS ACT**

5 **TYPE: EXISTING RESOLUTION**

6 **WHEREAS**, Section 602 Telecommunications Act of 1996 prohibits political
7 subdivisions of state governments from imposing and collecting taxes and fees on direct
8 broadcasting satellite services (DBS); and

9 **WHEREAS**, Section 602 also preserves the authority of the states to impose and collect
10 such taxes and fees on DBS and to remit some or all the proceeds of such taxes and
11 fees to its political subdivisions; and

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13 **WHEREAS**, the Congress prohibited such taxation by the states' political subdivisions
14 not to provide the DBS industry with a tax advantage over other providers of video
15 services but to spare the DBS industry, at that time a fledgling industry, from the
16 administrative burden of collecting and remitting taxes to over 7,500 taxing jurisdictions;
17 and

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19 **WHEREAS**, some states have recognized that DBS' exemption from the administrative
20 burden of local taxation has created a competitive advantage for DBS over other
21 multichannel video service providers and have achieved tax parity by enacting statutes
22 that impose a state tax rate on DBS that appropriately takes into account all the state
23 and local taxes and fees paid such other providers; and

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25 **WHEREAS**, some states have remitted some or all of the proceeds from such taxes to
26 local jurisdictions as permitted by Section 602; and

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28 **WHEREAS**, the State Video Tax Fairness Act would label such tax arrangements as
29 discriminatory taxation; and

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

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

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

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

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47 **BE IT FURTHER RESOLVED** that a copy of this resolution be sent to all members of
48 the 113th Congress and the President of the United States.

49 *Expires August 2015*