
DIGEST

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Greene

HB No. 486

Abstract: For purposes of the state and local sales and use tax exemption for installation of cable television, defines "regular service" to include basic channels, premium channels, video-on-demand, pay-per-view services, and other services transmitted through a cable signal.

Present law provides for an exemption from state and local sales and use tax for necessary fees incurred in connection with the installation and service of cable television. Further provides that the exemption shall only apply to funds collected from the subscriber for regular service, installation, and repairs.

Proposed law retains present law and defines "regular service" to include but not be limited to basic channels, premium channels, video-on-demand, pay-per-view services, and other services transmitted through a cable signal.

Present law provides that the exemption shall not apply to purchases made by any cable television system.

Proposed law retains present law.

Proposed law provides for an exemption from state and local sales and use tax for necessary fees incurred in connection with the installation and delivery of multi-channel video programming service or subscription television service by satellite or Internet protocol television. Further provides that proposed law shall not apply to purchases made by any satellite or Internet protocol television system, but shall only apply to monies collected from the subscriber for regular service, installation, and repairs.

Proposed law provides that regular service shall include but not be limited to basic channels, premium channels, video-on-demand, pay-per-view services, and other services transmitted through a satellite or Internet protocol television signal.

Proposed law provides that proposed law clarifies the meaning of present law and is not meant to constitute a new interpretation of law or a change in existing practice and shall have retroactive application. Further provides that proposed law recognizes the various technologies through which video programming and television service is delivered.

Effective July 1, 2011.

(Amends R.S. 47:305.16; Adds R.S. 47:305.16.1)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Added services such as basic channels, premium channels, video-on-demand, pay-per-view services, and other services transmitted through a cable signal within the description of "regular service".
2. Added a state and local sales and use tax exemption for necessary fees incurred in connection with the installation and delivery of multi-channel video programming service or subscription television service by satellite or Internet protocol television.
3. Clarified that the sales and use tax exemption shall only apply to monies collected from the subscriber for regular service, installation, and repairs.
4. Added provision that proposed law is intended to clarify the legislative intent of present law and is not meant to change the existing collection practices for sales and use taxes on these services. Further provides for retroactive application.
5. Changed the effective date of proposed law from upon signature of governor to July 1, 2011.