

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

TAX/SALES-USE-EXEMPT. Clarifies that video-on-demand and pay-per-view services shall be exempt from state and local sales and use tax.

DIGEST

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 but limits the exemption to regular service, installation, and repairs delivered to the subscriber by a person authorized pursuant to the "Consumer Choice for Television Act", R.S. 45:1361 et seq.

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 pursuant to the Consumer Choice for Television Act, R.S. 45:1361 et seq., or by a satellite system specifically exempted from local franchise fees by federal law. 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 but limits the exemption to regular service, installation, and repairs delivered to the subscriber by an Internet protocol television system authorized pursuant to the "Consumer Choice for Television Act", R.S. 45:1361 et seq., or by a satellite system specifically exempted from local franchise fees by federal law.

Proposed law removes municipalities with a population in excess of three hundred thousand, and parishes with a population between four hundred thousand and four hundred thirty-five thousand, and those between thirty-five thousand eight hundred and thirty-nine thousand from the operation of the proposed law.

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.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill.

1. Provides that the state and local sales and use tax exemption shall apply only to regular service, installation, and repairs delivered to the subscriber pursuant to the Consumer Choice for Television Act, R.S. 45:1361 et seq.
2. Provides that the state and local sales and use tax exemption for video programming and television service shall apply only to regular service, installation, and repairs delivered to the subscriber by an Internet protocol television system pursuant to the Consumer Choice for Television Act, R.S. 45:1361 et seq., or by a satellite system specifically exempted from local franchise fees.
3. Removes municipalities with a population in excess of three hundred thousand, and parishes with a population between four hundred thousand and four hundred thirty-five thousand, and those between thirty-five thousand eight hundred and thirty-nine thousand from the proposed law.