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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

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DIGEST

SB 276 Original

2015 Regular Session

Martiny

Proposed law phases out state sales tax by 14% a year over a six-year period on transactions concerning the following tangible personal property, if a taxpayer receives a "certificate of exclusion" from the secretary of the Department of Revenue certifying that it is a "communications provider" as defined in the proposed law:

- (1) Tangible personal property directly used or consumed by a "communications provider" in or during the distribution, provision, transmission, conveyance, monitoring, switching, routing, creation, or production of a "communications service".
- (2) Tangible personal property that is integral or necessary for the installation, operation, or maintenance of such tangible personal property.

"Communications provider" is defined as a person who is principally engaged in the business of distributing, provisioning, transmitting, conveying, monitoring, switching, receiving or routing of a "communications service", defined as "cable television service", "Internet access service", "telecommunications service", or any combination thereof.

"Cable television service" is defined as the distribution of video programming, with or without the use of wires, to subscribing or paying customers. The term includes direct broadcast satellite service (DBS), subscription television service (STV), satellite master antenna television service (SMATV), master antenna television service (MATV), multipoint distribution service (MDS), over-the-top video service, and multichannel multipoint distribution service (MMDS), and any audio portion of a video program.

"Internet access service" is defined as both of the following:

- (1) A service that enables users to connect to the "Internet" to access or obtain content, information, or other services offered over the "Internet".
- (2) The purchase, use, or sale of telecommunications by a provider of a service described above to the extent such telecommunications are purchased, used, or sold to enable users to connect to the "Internet" to access or obtain content, information, or other services offered over the "Internet".

"Internet" is defined as the myriad of computer and telecommunications facilities, including equipment and operating software, which comprise the interconnected worldwide network of networks that employ the Transmission Control Protocol/Internet Protocol or any predecessor or successor protocols to such protocol to communicate information of all kinds by fiber, wire, light,

or radio.

"Telecommunications service" is defined as the electronic transmission, conveyance, or routing of voice, data, audio, video, or any other information or signals to a point, or between or among points. The term "telecommunications service" includes such transmission, conveyance, or routing in which computer processing applications are used to act on the form, code or protocol of the content for purposes of transmission, conveyance or routing without regard to the classification of such service by the Federal Communications Commission.

Proposed law phases out state sales tax as follows:

- (1) By 14% during FY2015-2016.
- (2) By 28% during FY2016-2017.
- (3) By 42% during FY2017-2018.
- (4) By 56% during FY2018-2019.
- (5) By 70% during FY2019-2020.
- (6) By 84% during FY2020-2021.
- (7) Such property is excluded from all state sales tax starting July 1, 2021.

Proposed law authorizes the secretary of the Department of Revenue to adopt rules and regulations in order to administer the proposed law.

Effective July 1, 2015.

(Adds R.S. 47:301(3)(l), (13)(n), and (30))