

**THE COUNCIL OF STATE GOVERNMENTS  
RESOLUTION OPPOSING THE STATE VIDEO TAX FAIRNESS  
ACT OF 2007 (H.R. 3679)**

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

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

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

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

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

**WHEREAS**, the State Video Tax Fairness Act of 2007 (H.R. 3679) would label such tax arrangements as discriminatory taxation; and

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

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

**NOW, THEREFORE BE IT RESOLVED**, that The Council of State Governments opposes the State Video Tax Fairness Act of 2007 (H.R. 3679) and;

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

**BE IT FURTHER RESOLVED**, that a copy of this resolution be sent to all members of the 111<sup>th</sup> Congress and the 44<sup>th</sup> President of the United States.

Adopted this 6th day of December, 2008 at the CSG 75<sup>th</sup> Anniversary Celebration and Annual Meeting in Omaha, Nebraska.



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Governor M. Jodi Rell  
2008 CSG President



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Rep. Kim Koppelman  
2008 CSG Chair