



Satellite Tax Legislation

Legislation would impose a new sales tax, totaling about \$10 million, on 1.2 million cable subscribers in Tennessee.

By removing the cable exemption and granting a similar exemption for out of state satellite providers, the bill would put Tennessee business at a further competitive disadvantage.

The cable industry has built over \$2 billion in infrastructure in Tennessee since 1996 while satellite has had minimal investment in this state.

Cable providers pay more than \$8 million in property taxes while satellite pays very little in property taxes.

Cable providers spend \$33 million in pole attachment fees while satellite providers pay very few (if any) pole attachment fees.

Cable providers pay \$8 million annually in business taxes while satellite pays none.

Cable providers spend close to \$50 million annually in local franchise fees and public access grants while satellite pays none.

The subject of this bill is currently in litigation at the Court of Appeals. It has been appealed by the Department of Revenue.

This bill is not needed. It further widens the disparity of taxes and fees paid by cable subscribers and satellite customers. The effect of the bill is to lessen competition and discourage further investment by cable providers in the State of Tennessee.