



Senate

General Assembly

File No. 255

February Session, 2010

Substitute Senate Bill No. 350

Senate, April 1, 2010

The Committee on Energy and Technology reported through SEN. FONFARA, J. of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING SATELLITE TELEVISION.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-258 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective July 1, 2010, and*
3 *applicable to quarterly periods commencing on and after July 1, 2010*):

4 (a) Each person included in section 12-256 shall be taxed upon the
5 amount of the gross earnings in each quarterly period from the lines,
6 facilities, apparatus and auxiliary equipment operated by it in this
7 state, or from the transmission of video programming by satellite or by
8 a certified competitive video service provider to subscribers in this
9 state, as the case may be, at the rates provided in this section.

10 (b) Gross earnings for any quarterly period, for the purposes of
11 assessment and taxation, shall be as follows: In the case of a person
12 carrying on the business wholly within the limits of this state, the
13 entire amount of the gross earnings subject to the tax imposed under

14 section 12-256; in the case of a person also carrying on the business
15 outside of this state, a portion of the entire amount of the gross
16 earnings subject to the tax imposed under section 12-256 apportioned
17 to this state as follows: (1) In the case of a person operating a
18 community antenna television system, such portion of the total gross
19 earnings from the lines, facilities, apparatus and auxiliary equipment
20 operated by it as is represented by the total number of miles of lines
21 operated by such person within this state on the first day and on the
22 last day of such quarterly period to the total number of miles of lines
23 operated by such person both within and without the state on said
24 dates; (2) in the case of a person operating a business that provides
25 one-way transmission to subscribers of video programming by
26 satellite, such portion of the total gross earnings from the transmission
27 to subscribers in this state as is represented by the total number of
28 subscribers served by such person within this state on the first day and
29 on the last day of such quarterly period to the total number of
30 subscribers served by such person both within and without the state
31 on said dates; and (3) in the case of a person providing certified
32 competitive video service, such portion of the total gross earnings from
33 the transmission to subscribers in this state as is represented by the
34 total number of subscribers served by such person within this state on
35 the first and the last days of such quarterly period to the average of the
36 total number of subscribers served by such person both within and
37 without the state on said dates.

38 (c) The rates of tax on the gross earnings as determined in this
39 section shall be as follows: (1) Persons operating a community antenna
40 television system or a certified competitive video service, five per cent
41 of such gross earnings, reduced by any assessments made pursuant to
42 section 16-49 which are attributable to the year in which such tax is
43 assessed; and (2) persons operating a business that provides one-way
44 transmission to subscribers of video programming by satellite, five per
45 cent of such gross earnings, except that if the business does not
46 provide transmission of the Connecticut Television Network, as
47 defined in section 16-1, or its successor to all Connecticut subscribers,
48 the rate of tax shall be six per cent of such gross earnings.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010, and applicable to quarterly periods commencing on and after July 1, 2010</i>	12-258

Statement of Legislative Commissioners:

In section 1(c), "as defined in section 16-1" was added for clarity.

ET *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 11 \$	FY 12 \$
Department of Revenue Services	GF - Revenue Gain	2 million	2 million

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in a revenue gain to the General Fund of up to \$2 million per year beginning in FY 11. The revenue gain is a result of increasing the rate of the gross earnings tax on cable, satellite, and video companies from 5% to 6% for those companies that do not carry the Connecticut Television Network (CT-N).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

Sources: Department of Revenue Services

OLR Bill Analysis

sSB 350

AN ACT CONCERNING SATELLITE TELEVISION.

SUMMARY:

This bill increases, from 5% to 6%, the tax rate on the gross earnings of a satellite TV company if the company does not carry the Connecticut Television Network.

EFFECTIVE DATE: July 1, 2010, and applicable to quarterly periods commencing on and after July 1, 2010.

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable

Yea 12 Nay 9 (03/16/2010)