



**New England Cable & Telecommunications Association, Inc.**  
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*New England Cable & Telecommunications Association, Inc.*

**POSITION AND OPPOSITION OF THE NEW ENGLAND CABLE &  
TELECOMMUNICATIONS ASSOCIATION, INC.  
TO S.B. 451  
(AN ACT CONCERNING STATE TAX ADMINISTRATION)**

**Testimony of Paul R. Cianelli**

I am Paul Cianelli, President and CEO of the New England Cable & Telecommunications Association, Inc. ("NECTA"). NECTA is a regional trade association that represents substantially all cable operators in Connecticut, Massachusetts, Rhode Island, New Hampshire, and Vermont. This is my written testimony stating NECTA's position and opposition to Senate Bill No. 451.

NECTA is concerned that as currently drafted, SB 451 is overly broad with respect to what may be included and has the potential to substantially increase taxes on the cable industry and cable customers. In addition, we note that while cable and satellite companies pay gross earnings taxes, "Over the Top" providers that stream their video services to Connecticut residents do not. To the extent the purpose of this bill is to universally apply the gross earnings tax to companies providing video services to Connecticut customers, this bill does not achieve that end.

The cable industry has invested heavily in Connecticut's broadband and telecommunications infrastructure. In the last seven years alone we have invested over \$2 Billion in our Connecticut network and support over 6,700 jobs across the state. Some of our members maintain significant call centers in the state, one member (Charter) has moved its corporate headquarters to Connecticut, and another maintains its Western New England, regional corporate headquarters in the state (Comcast).

As drafted, NECTA is concerned that the language could be read to increase the tax burden on our thriving Connecticut employer members while non-facilities based providers that stream video programming and maintain most of their operations and jobs out of state are not affected.

Connecticut already imposes heavy taxes on Connecticut cable consumers. State cable consumers already pay over five percent of their monthly bill in cable-specific state and local taxes. These taxes generated more than \$140 million in tax revenue for state and local governments in 2015 and translated into roughly into \$7 a month on customer bills.

For all the above reasons, NECTA respectfully requests that the Committee reconsider the language in sections 2 through 4 to prevent disparate treatment under this proposal as currently drafted.

Respectfully submitted,

A handwritten signature in blue ink that reads "Paul R. Cianelli". The signature is written in a cursive style with a large initial "P".

March 17, 2016

Paul R. Cianelli, President