
HOUSE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS AND
THE DEPARTMENT OF TAXATION TO CONDUCT A STUDY EXAMINING THE
PARITY OF THE CURRENT TAX FEE STRUCTURE IMPOSED ON VIDEO
PROGRAMMING SERVICE PROVIDERS.

1 WHEREAS, video programming service providers deliver video
2 programming service, usually for a subscription fee; and

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4 WHEREAS, all companies that provide video programming
5 service benefit from state and local laws and policies that
6 facilitate the provision of programming signal to paying
7 customers; and

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9 WHEREAS, in Hawaii, providers of cable video programming
10 service are required to pay a franchise fee based on income
11 received from cable service subscribers; and

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13 WHEREAS, because franchise fees were established prior to
14 technological advances that permit a variety of methods for
15 delivering video programming service, only some providers are
16 subject to franchise fees; and

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18 WHEREAS, increasing competition among video programming
19 service providers will require state regulatory agencies to keep
20 pace with the rapidly changing market; and

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22 WHEREAS, the State should "level the playing field" for all
23 video programming service providers and require all providers to
24 pay the franchise fee; and

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26 WHEREAS, Hawaii consumers should be provided a tax- and
27 fee-neutral choice among video programming service providers
28 with functionally equivalent service taxed in a similar manner,
29 regardless of the provider's method of delivery of service; now,
30 therefore,



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2 BE IT RESOLVED by the House of Representatives of the
3 Twenty-seventh Legislature of the State of Hawaii, Regular
4 Session of 2013, the Senate concurring, that the Department of
5 Commerce and Consumer Affairs and the Department of Taxation are
6 requested to conduct a study to review the parity of the current
7 tax and fee structure applicable to all video programming
8 service providing service to Hawaii customers; and
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10 BE IT FURTHER RESOLVED that it is requested that the study
11 identify all video programming service providers that provide
12 service to Hawaii customers and a comparison of each provider's
13 tax and fee structure as required by Hawaii state laws; and
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15 BE IT FURTHER RESOLVED that the Department of Commerce and
16 Consumer Affairs and the Department of Taxation are requested to
17 submit a report of their findings and recommendations, including
18 any proposed legislation, to the Legislature no later than
19 twenty days prior to the convening of the Regular Session of
20 2014; and
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22 BE IT FURTHER RESOLVED that certified copies of this
23 Concurrent Resolution be transmitted to the Director of Commerce
24 and Consumer Affairs and the Director of Taxation.
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OFFERED BY:  _____

MAR 11 2013