

MAR 13 2013

SENATE 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 services, usually for a subscription fee; and

3
4 WHEREAS, all companies that provide video programming
5 services benefit from state and local laws and policies that
6 facilitate the provision of the programming signal to its paying
7 customers; and

8
9 WHEREAS, in Hawaii, providers of cable video programming
10 services are required to pay a franchise fee based on income
11 received from subscribers for cable services rendered; and

12
13 WHEREAS, currently, franchise fees are imposed on certain
14 video programming service providers, but not all providers; and

15
16 WHEREAS, franchise fees were established prior to
17 technological advances, and only the methods of delivery that
18 were established at the time of the creation of the franchise
19 fees are subject to payment; and

20
21 WHEREAS, providers of video programming use various new and
22 constantly evolving technologies to deliver video programming to
23 homes, businesses, and other customers throughout Hawaii for a
24 fee and, therefore, are not subject to the required franchise
25 fees; and

26
27 WHEREAS, the competition among video programming services
28 providers has increased significantly over the years and will
29 continue to do so, thus increasing the need for new and
30 innovative methods of delivery for providers and, consequently,



1 requiring state regulatory agencies to keep pace with the
2 rapidly changing market; and

3
4 WHEREAS, states should "level the playing field" for all
5 video programming service providers and require all providers to
6 pay the franchise fee; and

7
8 WHEREAS, Hawaii consumers should be provided a tax- and
9 fee-neutral choice among video programming service providers and
10 functionally equivalent services should be taxed in a similar
11 manner, regardless of the provider's method of delivery of
12 services; now, therefore,

13
14 BE IT RESOLVED by the Senate of the Twenty-seventh
15 Legislature of the State of Hawaii, Regular Session of 2013, the
16 House of Representatives concurring, requests the Department of
17 Commerce and Consumer Affairs and the Department of Taxation to
18 conduct a study to review the parity of the current tax and fee
19 structure applicable to all video programming services providing
20 service to Hawaii customers; and

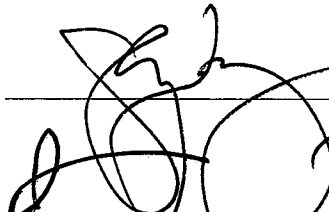
21
22 BE IT FURTHER RESOLVED that it is requested that the study
23 identify all video programming service providers that provide
24 services to Hawaii customers and a comparison of each provider's
25 tax and fee structure as required by Hawaii state laws; and

26
27 BE IT FURTHER RESOLVED that the Department of Commerce and
28 Consumer Affairs and the Department of Taxation are requested to
29 submit a report of their findings and recommendations, including
30 any proposed legislation, to the Legislature no later than
31 twenty days prior to the convening of the Regular Session of
32 2014; and

33
34 BE IT FURTHER RESOLVED that certified copies of this
35 Concurrent Resolution be transmitted to the Director of Commerce
36 and Consumer Affairs and the Director of Taxation.

37
38
39
Avidygo
Malene
Sun
Gilever Kabela

OFFERED BY:


Michelle Keleni
Clara K. Siskihan
Matt
Ann Mercedes
M. N. M.