

1 SJR97
2 130063-1
3 By Senator Marsh
4 RFD:
5 First Read: 21-APR-11

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8 ESTABLISHING A COMMITTEE TO STUDY CURRENT TAX AND
9 FEE DISPARITIES IN THE ALABAMA SUBSCRIPTION VIDEO MARKETPLACE.
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11 WHEREAS, the Legislature is committed to producing a
12 state government more fiscally responsible and accountable to
13 the Alabama taxpayer; and

14 WHEREAS, the Legislature is committed to providing a
15 more equitable and less burdensome tax and fee obligation on
16 the Alabama taxpayer; and

17 WHEREAS, substantial competition among subscription
18 video service providers exists and is increasing, and as this
19 competitive environment has evolved, the existing state and
20 local tax and fee structure has created disparities so that
21 customers of some subscription video service providers pay
22 substantially more taxes and fees than others; and

23 WHEREAS, the inconsistent tax and fee treatment is a
24 direct result of a loophole created by Congress in the
25 Telecommunications Act of 1996, which exempts some
26 subscription video service providers from local taxes and fees

1 even though they benefit from the video marketplace throughout
2 Alabama; and

3 WHEREAS, competitive providers in the video service
4 marketplace have substantially grown and diversified their
5 technology since the passage of the Telecommunications Act of
6 1996, and at least 10 states have enacted legislation that
7 would close the loophole created by the federal government and
8 create tax and fee parity among subscription video service
9 providers and users; and

10 WHEREAS, video consumers in Alabama deserve a
11 modernized tax code that lowers government mandated fees to
12 only those fees required to cover actual costs; and if taxes
13 are assessed, they should be assessed consistently on all
14 video services despite the technology used to deliver video
15 services; and

16 WHEREAS, the people of Alabama deserve a tax code
17 that would encourage providing more current and future
18 technologies, thus broadening the tax base and providing a
19 more stable, predictable, and transparent source of revenue
20 for state and local governments; now therefore,

21 BE IT RESOLVED BY THE LEGISLATURE OF ALABAMA, BOTH
22 HOUSES THEREOF CONCURRING, That:

23 (a) The Alabama Video Tax and Fee Study Committee is
24 established for the purpose of studying the current tax and
25 fee disparities in the Alabama video services marketplace.

26 (b) Foremost among the issues considered by the
27 committee shall be how to rectify the anti-competitive effect

1 from video service and cable franchise fees and other taxes on
2 the pricing and provision of video service in Alabama.

3 (c) The study committee shall consist of the
4 following members:

5 (1) Four members of the House of Representatives
6 appointed by Speaker of the House.

7 (2) Four members of the Senate appointed by the
8 President Pro Tempore of the Senate.

9 (3) Three members of the House appointed by the
10 House Minority Leader.

11 (4) Three members of the Senate appointed by the
12 Senate Minority Leader.

13 (d) (1) The Speaker of the House shall designate one
14 of the four House members appointed by the Speaker as the
15 House Co-chair of the committee.

16 (2) The President Pro Tempore shall designate one of
17 the four Senate members appointed by the Pro Tempore as the
18 Senate Co-chair of the committee.

19 (e) The study committee shall recommend legislation
20 that would eliminate the tax and fee disparity in the video
21 marketplace so that Alabama consumers may realize the benefits
22 of lower and fairer government-mandated fees on their video
23 services and have a tax and fee-neutral choice for such
24 services.

25 (f) State agencies and local governments are
26 requested to provide any data or other information requested
27 by the study committee needed to conduct the study.

1 (g) The private video service providers in Alabama
2 may also provide any data or other information requested by
3 the study committee to assist with its study.

4 (h) The committee shall meet at least three times
5 and report its findings, conclusions, and recommendations to
6 the Legislature no later than November 1, 2011. The committee
7 shall stand dissolved and discharged of any further duties and
8 liabilities at the end of the 2012 Regular Session of the
9 Legislature.

10 (i) Each member of the committee shall be entitled
11 to his or her regular legislative compensation, his or her per
12 diem, and travel expenses for each day he or she attends a
13 meeting of the commission. Upon requisitions signed by the
14 chair of the committee, these payments shall be paid out of
15 any funds appropriated to the use of the Legislature by means
16 of warrants drawn by the Comptroller on the State Treasury.
17 Notwithstanding the foregoing, no member shall receive
18 additional legislative compensation or per diem when the
19 Legislature is in session or if a member is being paid any
20 other payments on the same dates for attendance on other state
21 business. The total expenditures of the committee shall not
22 exceed \$5,000.

23 (j) Members of the committee may not disclose
24 confidential or proprietary business plans, or other sensitive
25 information without adequate protection of the information.
26 The study committee shall exercise all necessary caution to

1 avoid disclosure of confidential information supplied under
2 the authority granted by this resolution.