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S.181

An act relating to establishing a television assessment and community media

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. chapter 247 is added to read:

CHAPTER 247. TELEVISION ASSESSMENT

§ 10601. FINDINGS; PURPOSE

(a) The General Assembly finds:

(1) In recent years, there has been significant growth of high-bandwidth entertainment content delivered over communications networks.

(2) Substantial public investments, both State and federal, have been made to promote communications network deployment and the adoption of essential services delivered over those networks, such as telecommunications and broadband.

(3) Government has long recognized that these networks and services are essential because they provide end users access to critical services, such as educational, governmental, employment, public safety, and health care services.

(b) The purpose of this chapter is to establish a comprehensive statewide mechanism for requiring equitable contributions from cable television

1 companies and television streaming providers to support public benefits and  
2 services, including those in the communications sector.

3 § 10602. DEFINITIONS

4 As used in this chapter:

5 (1) “Customer” means any person in Vermont who receives or  
6 subscribes to a video streaming service provider and does not further distribute  
7 such service in the ordinary course of business.

8 (2) “Gross receipts” means all consideration of any kind or nature  
9 received by a video streaming service provider, or an affiliate of such person,  
10 in connection with the provision, delivery, or furnishing of video streaming  
11 service to customers. “Gross receipts” does not include:

12 (A) revenue not actually received, regardless of whether it is billed,  
13 including bad debts;

14 (B) revenue received by an affiliate or other person in exchange for  
15 supplying goods and services to an affiliated video streaming service provider;

16 (C) refunds, rebates, or discounts made to customers, advertisers, or  
17 other persons;

18 (D) revenue from telecommunications service as defined in  
19 30 V.S.A. § 7501(b)(8);

20 (E) revenue from broadband service as defined in 30 V.S.A.  
21 § 8082(2);

1           (F) revenue from the sale of capital assets or surplus equipment not  
2           used by the purchaser to receive video streaming service from the video  
3           streaming service provider;

4           (G) reimbursements made by programmers to the streaming service  
5           provider for marketing costs incurred by such service provider for the  
6           introduction of new programming;

7           (H) late payment fees collected from customers; or

8           (I) charges, other than charges for video streaming services, that are  
9           aggregated or bundled with video streaming services on a customer's bill, if  
10          the video streaming service provider can reasonably and separately identify the  
11          charges in its books and records kept in the regular course of business.

12          (3) "Service provider" means a video streaming service provider.

13          (4) "Video programming" means programming provided by, or  
14          comparable to programming provided by, a television broadcast station,  
15          including video programming provided by local networks, national broadcast  
16          networks, cable television networks, and all forms of pay-per-view or on-  
17          demand video entertainment.

18          (5) "Video streaming service" means the distribution or broadcasting of  
19          video programming displayed by the viewer for a fee on a subscription basis.  
20          The term video streaming service, unless expressly provided otherwise, does  
21          not include cable service as defined in 47 U.S.C. § 522(6).

1           (6) “Video streaming service provider” or “television streaming  
2           provider” means a person who transmits, broadcasts, or otherwise provides  
3           video streaming service to customers and earns more than \$250,000.00 in gross  
4           annual revenues from providing such services.

5           § 10603. IMPOSITION AND COLLECTION

6           (a) There is imposed an assessment on the provision, delivery, or  
7           furnishing of video streaming services by a service provider to customers in  
8           the State. A service provider shall pay an assessment equal to five percent of  
9           the provider’s gross receipts derived in or from such services.

10          (b) Gross receipts pursuant to this section shall be determined by the  
11          customer’s place of primary use of the service and, if that location cannot be  
12          determined with available information or a reasonable inquiry, shall be  
13          determined by the customer’s billing address.

14          (c) The assessment created under this section shall be for each year, or part  
15          of each year, that a service provider is engaged in the sale of video streaming  
16          services to customers.

17               (1) A service provider subject to the assessment under this section shall:

18                   (A) file, on or before April 15 of each year, a return for the year  
19                   ended on the preceding December 31; and

20                   (B) pay the tax due, which return shall state the gross receipts for the  
21                   period covered by each return.

1           (2) Returns shall be filed with the Commissioner on a form to be  
2           furnished by the Commissioner for that purpose and shall contain any other  
3           data or information as the Commissioner may require.

4           (3) Notwithstanding subdivisions (1) and (2) of this subsection, the  
5           Commissioner may require a service provider to file an annual return, which  
6           shall contain any data specified by the Commissioner, regardless of whether  
7           the provider is subject to the assessment under this section.

8           (d) The Commissioner may examine and audit a return required under this  
9           section for a period equal to the latter of three years from the date the return  
10           was filed or three years from the date the return was required to be filed;  
11           however, there shall be no limitation if a return is fraudulent. In addition to the  
12           authority granted to the Commissioner under chapter 103 of this title, the  
13           Commissioner may require service providers subject to the assessment under  
14           this section to keep and preserve records of its business in any form as the  
15           Commissioner may require for a period of three years, except that the  
16           Commissioner may consent to their destruction within that period or may  
17           require that they be kept longer.

18           § 10604. DEPOSIT AND ALLOCATION OF REVENUE

19           The revenue from the assessment imposed under this chapter shall be  
20           deposited in the General Fund. Annually, the General Assembly shall  
21           appropriate a portion of the revenue to the Secretary of State to administer and

1 oversee a grant program for the Vermont Access Network to support the  
2 operational costs of Vermont's access management organizations so that  
3 public, educational, and government programming and services are broadly  
4 available throughout the State.

5 Sec. 2. APPROPRIATION

6 The sum of \$1,100,000.00 is appropriated from the General Fund to the  
7 Department of Taxes in fiscal year 2025 for the purpose of implementing the  
8 chapter established under Sec. 1. of this act.

9 Sec. 3. EFFECTIVE DATES

10 (a) Notwithstanding 1 V.S.A. § 214, this section and Sec. 1 (32 V.S.A.  
11 chapter 247) shall take effect retroactively on January 1, 2024 and apply to  
12 taxable years on and after January 1, 2024.

13 (b) Sec. 2 (appropriation) shall take effect on July 1, 2024.