

107TH CONGRESS  
2D SESSION

# H. R. 5429

To provide an exemption from local taxation for direct-to-subscriber satellite service providers, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 2002

Mr. TOM DAVIS of Virginia introduced the following bill; which was referred to the Committee on the Judiciary, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide an exemption from local taxation for direct-to-subscriber satellite service providers, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Satellite Services Act  
5       of 2002”.

1 **SEC. 2. PREEMPTION OF LOCAL TAXATION WITH RESPECT**  
2 **TO DIRECT-TO-SUBSCRIBER SATELLITE**  
3 **SERVICES.**

4 (a) EXEMPTION FROM LOCAL TAXATION.—A pro-  
5 vider of direct-to-subscriber satellite service shall be ex-  
6 empt from the collection or remittance, or both, of any  
7 tax or fee imposed by any local taxing jurisdiction on di-  
8 rect-to-subscriber satellite service.

9 (b) PRESERVATION OF STATE AUTHORITY.—This  
10 section shall not—

11 (1) apply with respect to a tax or fee imposed  
12 by a State, or

13 (2) prevent a local taxing jurisdiction from re-  
14 ceiving revenue derived from a tax or fee imposed  
15 and collected by a State.

16 **SEC. 3. STATE TAXATION OF DIRECT-TO-SUBSCRIBER SAT-**  
17 **ELLITE SERVICE.**

18 Notwithstanding the authority of a State to impose  
19 taxes and fees, such State may not impose a tax or fee  
20 with respect to direct-to-subscriber satellite service if—

21 (1) the place of primary use of such service is  
22 not physically located within the physical boundaries  
23 of the State, or

24 (2) the law of such State does not authorize the  
25 imposition of such tax or fee.

1 **SEC. 4. DEFINITIONS.**

2 For the purposes of this Act:

3 (1) DIRECT-TO-SUBSCRIBER SATELLITE SERV-  
4 ICE.—The term “direct-to-subscriber satellite serv-  
5 ice” means the distribution or broadcasting of pro-  
6 gramming transmitted or broadcast by satellite di-  
7 rectly to the satellite service subscriber’s receiving  
8 equipment without the use of the provider’s ground  
9 receiving or distribution equipment, except equip-  
10 ment at the subscriber’s premises or in the uplink  
11 process to the satellite. A service that otherwise  
12 qualifies as a direct-to-subscriber satellite service as  
13 defined in this paragraph, but that uses terrestrial  
14 repeater transmitters to retransmit signals received  
15 from the provider’s operating satellites, shall none-  
16 theless be treated as a direct-to-subscriber satellite  
17 service.

18 (2) LOCAL TAXING JURISDICTION.—The term  
19 “local taxing jurisdiction” means any municipality,  
20 city, county, township, parish, transportation dis-  
21 trict, or assessment jurisdiction, or any other local  
22 jurisdiction in the territorial jurisdiction of the  
23 United States with the authority to impose a tax or  
24 fee, but does not include a State.

25 (3) PLACE OF PRIMARY USE.—The term “place  
26 of primary use” means the residential street address

1 or the primary business street address representative  
2 of where a subscriber's use of direct-to-subscriber  
3 satellite service primarily occurs.

4 (4) PROVIDER OF DIRECT-TO-SUBSCRIBER SAT-  
5 ELLITE SERVICE.—For purposes of this section, a  
6 “provider of direct-to-subscriber satellite service”  
7 means a person who transmits, broadcasts, sells, or  
8 distributes direct-to-subscriber satellite service.

9 (5) STATE.—The term “State” means any of  
10 the several States, the District of Columbia, or any  
11 territory or possession of the United States.

12 (6) TAX OR FEE.—The terms “tax” and “fee”  
13 mean any local sales tax, local use tax, local intan-  
14 gible tax, local income tax, business license tax, util-  
15 ity tax, privilege tax, gross receipts tax, excise tax,  
16 franchise fees, telecommunications tax, communica-  
17 tions tax, or any other tax, license, or fee that is im-  
18 posed for the privilege of doing business, regulating,  
19 or raising revenue for a local taxing jurisdiction.

20 **SEC. 5. EFFECTIVE DATE; APPLICATION.**

21 This Act shall take effect 120 days after the date of  
22 the enactment of this Act and shall not apply with respect  
23 to taxes and fees payable for direct-to-subscriber satellite  
24 service provided before such date.

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