Georgia House of Representatives
2017-2018 House Rural Development Council

Communications Tax Parity
## Franchise Fees/State Taxes

<table>
<thead>
<tr>
<th>Technology</th>
<th>Franchise Fees</th>
<th>Sales Taxes</th>
<th>Permit Fees</th>
<th>UAF Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cable/Video</td>
<td>5% of gross video revenues</td>
<td>0</td>
<td>Covered under franchise agreement</td>
<td>N/A</td>
</tr>
<tr>
<td>Streaming (OTTP)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Satellite</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>N/A</td>
</tr>
<tr>
<td>Small Cell Video</td>
<td>0</td>
<td>0</td>
<td>???</td>
<td>N/A</td>
</tr>
<tr>
<td>Landline Telephone</td>
<td>3% of gross telecom revenues</td>
<td>6-8% of amount allocated to local service</td>
<td>Covered under franchise</td>
<td>4.9% of revenue</td>
</tr>
<tr>
<td>Wireless Telephone</td>
<td>0</td>
<td>6-8% of lowest priced plan</td>
<td>Negotiated locally</td>
<td>0</td>
</tr>
<tr>
<td>VOiP</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4.9% of revenue</td>
</tr>
</tbody>
</table>
Connect to the Internet

Get connected and get more at no extra cost!

Maximize your entertainment:
Connect your HD DVR to the Internet.

When connected, you open the door to additional features that are included in your DIRECTV service. Enjoy access to thousands of the hottest shows and movies on demand, including NBC’s This is Us. Download your recorded shows on your device and watch on the go, or listen to Pandora Radio on your TV. Learn how to connect your HD DVR to the internet today!

Learn how to connect

https://www.directv.com/technology/connected_home
Thousands of the hottest shows and movies On Demand.

Get access to over 45,000* shows and movies.
Catch up on thousands of shows and movies, already included in your subscription, with DIRECTV On Demand.
Plus, get instant access to the hottest new movie releases on DIRECTV CINEMA.

Time is on your side with an internet-connected HD DVR.
Forget to record your favorite show? With your HD DVR connected to the Internet, you can watch shows that aired any time in the last 72 hours, and even restart ones already in progress.

https://www.directv.com/technology/connected_home
It's your TV. Take it with you.

Stream anywhere.

Connecting your HD DVR to the Internet makes your DIRECTV App even better. You'll be able to stream the same DIRECTV you watch at home—including your live and recorded shows—anywhere you are, at no extra cost.¹

Download and go!

Taking a family road trip or getting on a plane? With an Internet-connected HD-DVR, you can download your home DVR right to your mobile device with the DIRECTV App.³

¹Then watch anywhere, even with no Internet connection!

https://www.directv.com/technology/connected_home
## TOP 10 VIDEO SUBSCRIPTION SERVICES BY SUBSCRIBERS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Service</th>
<th>Subscribers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Netflix</td>
<td>47.0 million</td>
</tr>
<tr>
<td>2</td>
<td>AT&amp;T DirecTV</td>
<td>25.3 million</td>
</tr>
<tr>
<td>3</td>
<td>Comcast</td>
<td>22.4 million</td>
</tr>
<tr>
<td>4</td>
<td>Charter</td>
<td>17.5 million</td>
</tr>
<tr>
<td>5</td>
<td>Dish</td>
<td>13.9 million</td>
</tr>
<tr>
<td>6</td>
<td>Hulu</td>
<td>12.0 million</td>
</tr>
<tr>
<td>7</td>
<td>Verizon FiOS</td>
<td>4.7 million</td>
</tr>
<tr>
<td>8</td>
<td>Altice</td>
<td>4.6 million</td>
</tr>
<tr>
<td>9</td>
<td>Cox</td>
<td>4.0 million</td>
</tr>
<tr>
<td>10</td>
<td>Frontier</td>
<td>1.7 million</td>
</tr>
</tbody>
</table>

nctta.com | @NCTAitv
Some states exempt broadband equipment from sales tax.
#1: Simplify by Focusing on Video Parity

- Telecommunications parity is more difficult
  - Pre-pay wireless vs. traditional wireless
  - Local option sales tax on traditional wireless
  - Universal Access Fund - landline telephone and VOIP pay into, wireless does not
12 States Have Enacted Some Form of Video Parity

7 States Have Some Form of Parity with Over the Top Providers

- Connecticut
- Delaware
- Florida
- Kentucky
- Massachusetts
- North Carolina

- Ohio
- Rhode Island
- Tennessee
- Utah
- Virginia
- Washington (video-on-demand only)
#2: Don’t model on another state,

Georgia can do better

• Create true parity between all service providers, not partial parity
• Include Over the Top Providers (OTTP) and future-proof the language
• Broaden the base and lower the rate