

GOOD MORNING CHAIRMAN BARNHART AND MEMBERS OF THE REVENUE COMMITTEE THANK YOU FOR THE OPPORTUNITY TO APPEAR BEFORE YOU TODAY. MY NAME IS ANGELA MIELE; I AM THE VICE PRESIDENT FOR STATE TAX POLICY AT THE MOTION PICTURE ASSOCIATION OF AMERICA (MPAA). THE MPAA IS THE TRADE ASSOCIATION REPRESENTING THE NATION'S LEADING, PRODUCERS AND DISTRIBUTORS OF MOTION PICTURES, AND TELEVISION PROGRAMS, DISNEY, SONY, WARNER BROS., VIACOM, FOX, NBCUNIVERSAL, AND CBS REPRESENTED HERE TODAY IS AN AFFILIATE MEMBER.

I AM HERE ON BEHALF OF OUR MEMBERS TODAY TO TESTIFY IN SUPPORT OF HOUSE BILL 4138 A PROPOSED STATUTORY AMENDMENT TO PROVIDE CERTAINTY FOR OUR MEMBERS REGARDING THEIR CORPORATE TAX OBLIGATIONS TO THE STATE.

WITH TECHNOLOGY ADVANCING AT THE SPEED OF LIGHT, WE SEEK A MORE CONTEMPORARY METHOD OF APPORTIONMENT WHEREBY THE MEASURE OF RECEIPTS WILL BE THE LOCATION OF PAYOR OR THE COMMERCIAL

DOMICILE OF AN INTERSTATE BROADCASTER'S DIRECT CUSTOMER.

A BROADCASTER'S CUSTOMER IS NOT THE INDIVIDUAL VIEWER WHO SITS AT HOME WATCHING TV. A BROADCASTER'S CUSTOMER IS THE ENTITY WHO ENTERS INTO A CONTRACT WITH THE BROADCASTER TO LICENSE PROGRAMMING OR BUY ADVERTISING TIME. IT IS THAT CUSTOMER WHO IS PAYING US AND WITH WHOM WE HAVE A CONTRACT.

WE WILL ALWAYS BE ABLE TO IDENTIFY THOSE INDIVIDUALS OR THOSE COMPANIES BASED ON THEIR COMMERCIAL DOMICILE DESPITE WHATEVER NEW TECHNOLOGY IS BROUGHT TO BEAR.

IT IS WORTH NOTING THAT EVEN IF ONE WANTED TO CONSIDER VIEWERS, CURRENTLY THERE IS NO CLEAR PROXY FOR MEASURING VIEWERS IN A PARTICULAR STATE BECAUSE THEY ARE MOBILE. THEY ARE WATCHING MEDIA ON HAND HELD DEVICES, TABLETS, PHONES AND OTHER TECHNOLOGY YET TO BE DEVELOPED. THIS TELLS YOU ONE THING ABOUT THIS INDUSTRY AND THERE IS NO WAY TO

PREDICT WHO WILL SEE WHAT AND AT WHAT PARTICULAR TIME

I WANT TO MAKE IT CLEAR THIS LEGISLATION DOES NOT CHANGE ANY OTHER INDUSTRIES' TAX OBLIGATIONS OR IMPOSE ANY COMPETITIVE DISADVANTAGES.

FINALLY, THE PROPOSED AMENDMENT TO THE APPORTIONMENT METHODOLOGY IS CONSISTENT WITH OTHER STATES, WHICH HAVE ADOPTED A CONTEMPORARY REGIME FOR INTERSTATE BROADCASTERS, INCLUDING MICHIGAN, ILLINOIS, FLORIDA AND NORTH CAROLINA..

THANK YOU AND I WOULD BE HAPPY TO ANSWER ANY QUESTIONS