

Interstate Broadcaster Summary

Background

- Nexus
- Apportionment: tangible personal property and cost-of-performance
- Broadcasters
 - Pre-2014: audience provision
 - 2014-2016: domicile of customers (distributors, advertisers, direct consumers)
 - Estimated impact of \$0.9M (2013-15) and \$1.7M (2015-17)

Analysis

- 2014 was common first year experience with data
- Supplemental survey by DOR
 - 11 responses from 26 corporations
 - Issues regarding nexus and non-respondents
- MPAA data for six companies, tax years 2014/2015
 - Average apportionment percentage increased from .07% to .17%
 - Revenue impact was consistent with initial projection
- Uncertainty
 - Initial data and legal disputes
 - Who is a broadcaster?
 - Which ones have nexus?
 - Which income is subject to broadcaster apportionment?

Next Steps

- Sunset date: no change, extend, repeal
- HB 2676 is a 6-year extension placeholder
- Evaluate policies being considered by the courts