

# STATE OF NEW YORK

---

5046

2023-2024 Regular Sessions

## IN ASSEMBLY

February 27, 2023

---

Introduced by M. of A. WOERNER -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT in relation to directing the commissioner of taxation and finance to conduct a study of assessments, fees and tax rates, and associated policies of the state of New York relating to providers of telecommunications services

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Legislative findings. The legislature finds that as tele-  
2 communications technologies continue to evolve, their expansion through-  
3 out the state has led to increasing competition among entities both  
4 within and without the traditional regulatory approach of the department  
5 of public service, including but not limited to cable, satellite, wired,  
6 wireless and broadband service providers. Specifically, the ongoing  
7 modernization of the industry's service offerings and the delivery of  
8 those services, as well as the intersecting spheres of business occupied  
9 by all entities within the telecommunications industry, necessitate that  
10 the department, in consultation with the department of public service,  
11 conduct a comprehensive study and analysis of New York's state and local  
12 tax laws to provide a fair, efficient, and uniform method for taxing  
13 communications providers and their services sold in the state of New  
14 York. New York's tax law needs to be restructured with regard to state  
15 and local taxes, as necessary, to account for the impact of federal and  
16 state legislation, industry regulation, the impact of regulatory fees  
17 and assessments on total taxes paid, and the many and diverse providers  
18 offering functionally equivalent communications services in today's  
19 marketplace. The legislature further finds that, to both retain and  
20 attract business and customers, New York should strive to tax telecommu-  
21 nications industry providers in a uniform, consistent and nondiscrimina-  
22 tory manner which results in a neutral tax policy that will free consum-  
23 ers to choose a provider based on tax-neutral considerations. To do so,

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

LBD08999-02-3

1 the legislature calls on the department of taxation and finance to make  
2 recommendations to streamline and simplify the existing system, which  
3 includes various assessments, fees and rates imposed at all levels of  
4 government with an eye to simplifying the compliance process for commu-  
5 nications providers and lowering the cost of collecting taxes and fees,  
6 increasing service availability and competition, spurring new technology  
7 expansion into all of New York, and fostering fair, healthy competition  
8 as broadly as possible.

9 § 2. a. The commissioner of taxation and finance, in consultation with  
10 the department of public service, is hereby authorized and directed to  
11 conduct a study of assessments, fees and tax rates, and associated poli-  
12 cies of the state of New York, relating to the telecommunications indus-  
13 try including, but not limited to the cable, satellite, wired, wireless  
14 and broadband industries of the state. In conducting this study, the  
15 commissioner of taxation and finance shall examine the fairness and  
16 equitableness of the current tax and assessment structures and their  
17 applicability to the several and diverse providers in the telecommuni-  
18 cations industry and further assure that all end customers, regardless  
19 of the entity from which they purchase their service, bear a fair and  
20 proportional share of the assessment imposed for such service, as such  
21 commissioner may determine.

22 b. Such study shall include, but not be limited to, an examination of  
23 the taxation of telecommunications industry entities and all providers  
24 of communications services, whether or not regulated by the department  
25 of public service and a set of recommendations to streamline and simpli-  
26 fy the existing system with an eye to simplifying the compliance process  
27 for communications providers, lowering the cost of collecting taxes and  
28 fees, increasing service availability, spurring new technology expansion  
29 into all of New York, and fostering fair, healthy competition as broadly  
30 as possible.

31 c. Upon completion of the study, but no later than the first of Janu-  
32 ary, 2024, the commissioner of taxation and finance shall submit a  
33 report based on the findings of the study to the governor, the temporary  
34 president of the senate, the speaker of the assembly, the minority lead-  
35 er of the senate, the minority leader of the assembly, the chair of the  
36 senate corporations, authorities and commissions committee, and the  
37 chair of the assembly corporations, authorities and commissions commit-  
38 tee which shall include the findings of the study as well as recommenda-  
39 tions for statutory changes that may be implemented to ensure a more  
40 fair and proportional distribution of the assessments, fees and taxes  
41 imposed on telecommunications industry providers and their end custom-  
42 ers.

43 § 3. This act shall take effect immediately.