

STATE OF NEW YORK

5046--A

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 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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-

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

LBD08999-03-3

1 tory manner which results in a neutral tax policy that will free consum-
2 ers to choose a provider based on tax-neutral considerations. To do so,
3 the legislature calls on the department of taxation and finance to make
4 recommendations to streamline and simplify the existing system, which
5 includes various assessments, fees and rates imposed at all levels of
6 government with an eye to simplifying the compliance process for commu-
7 nications providers and lowering the cost of collecting taxes and fees,
8 increasing service availability and competition, spurring new technology
9 expansion into all of New York, and fostering fair, healthy competition
10 as broadly as possible.

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

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

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

45 § 3. This act shall take effect immediately.