

Widoff: Don't tax our TV service

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Satellite TV subscribers should not be forced to subsidize the cable industry. But that is exactly what will happen if a proposal being considered in the Georgia General Assembly becomes law.

The proposal in question would impose a 7 percent sales tax on all pay-television subscribers while providing cable companies with a huge new break: The elimination of the franchise fees they pay for the right to lay cable wires. These fees are one of the cable industry's basic business expenses and satellite subscribers should not be forced to pay higher taxes to subsidize them.

In Georgia, cable TV providers are required to pay franchise fees to local governments in return for the right to tear up sidewalks and streets for cable wire installation. Because satellite services transmit signals through the air, satellite providers rightfully have never been asked to pay this fee.

Asking satellite subscribers to help the cable companies cover these costs is comparable to asking airplane passengers to help railroads pay for laying their tracks. It makes no sense.

This tax will force millions of Georgia households to pay more for their television programming at a time when many of them are scaling back their lifestyles and spending more time at home as they work to make ends meet.

It would especially hurt those who live in rural parts of Georgia that are not served by and depend on satellite for a reliable signal. For these households, this would be a "rural tax" that punishes them for living where they live.

Why should these households cover the cost of providing cable television when they cannot even access it in their hometowns?

Satellite television providers developed an innovative technology that does not require the use of public resources such as utility poles or sidewalks. The result is less expense and better service to customers — the kind of innovation and market competition that should be rewarded, not penalized with gratuitous taxes.

Government should not put more of a burden on consumers in an already weak economy. And it should not hinder strong business models with taxes to pay for the operating costs of industries with weaker ones.

The TV tax is bad for healthy market competition and another form of unfair taxation that consumers are not in any position to withstand.

The Georgia General Assembly should stand up for families and good business practices and reject it.

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