
SENATE BILL NO. 492—COMMITTEE ON COMMERCE AND LABOR

MARCH 31, 2003

Referred to Committee on Taxation

SUMMARY—Imposes tax on gross revenue that direct broadcast satellite television company derives from sales to subscribers in this state. (BDR 58-1322)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to taxes; imposing a tax on the gross revenue that a direct broadcast satellite television company derives from its sales of direct broadcast satellite television service to subscribers in this state; requiring the Department of Taxation to provide by regulation for the collection and enforcement of the tax; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** Chapter 711 of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 7, inclusive, of this
3 act.

4 **Sec. 2.** *As used in sections 2 to 7, inclusive, of this act, unless*
5 *the context otherwise requires, the words and terms defined in*
6 *sections 3, 4 and 5 of this act have the meanings ascribed to them*
7 *in those sections.*

8 **Sec. 3.** *“Department” means the Department of Taxation.*

9 **Sec. 4.** *“Direct broadcast satellite television company” or*
10 *“company” means any person who provides direct broadcast*
11 *television service to one or more subscribers in this state.*

12 **Sec. 5.** *“Direct broadcast satellite television service” means*
13 *any programming that is transmitted or broadcasted by satellite*
14 *directly to the premises of a subscriber without the use of any*



1 *ground equipment to receive or distribute the programming, other*
2 *than ground equipment that is used:*

3 *1. At the premises of the subscriber to receive the*
4 *programming; or*

5 *2. To uplink the programming to the satellite.*

6 **Sec. 6. 1.** *There is hereby imposed on each direct broadcast*
7 *satellite television company for the privilege of providing direct*
8 *broadcast satellite television service to subscribers in this state a*
9 *tax in the amount of 5 percent of the gross revenue that the*
10 *company derives from its sales of direct broadcast satellite*
11 *television service to subscribers in this state.*

12 *2. The tax imposed by this section does not apply to any gross*
13 *revenue of a direct broadcast satellite television company which is*
14 *not attributable to the company's sales of direct broadcast satellite*
15 *television service to subscribers in this state.*

16 *3. The Department shall adopt regulations for determining*
17 *the gross revenue that a direct broadcast satellite television*
18 *company derives from its sales of direct broadcast satellite*
19 *television service to subscribers in this state. In adopting the*
20 *regulations, the Department shall consider any applicable*
21 *regulations adopted by the Federal Communications Commission.*

22 *4. If a direct broadcast satellite television company pays any*
23 *fee or annual assessment for the use of one or more pay or*
24 *premium channels to provide direct broadcast satellite television*
25 *service to subscribers in this state, the company is entitled to*
26 *deduct from the taxes imposed pursuant to this section an amount*
27 *which is equal to the proportion of each such fee or annual*
28 *assessment which is attributable to the provision of direct*
29 *broadcast satellite television service to subscribers in this state.*

30 **Sec. 7. 1.** *The Department shall adopt regulations to*
31 *provide for the collection and enforcement of the tax imposed by*
32 *section 6 of this act. The regulations must include, without*
33 *limitation:*

34 *(a) Provisions prescribing the forms for submitting the tax to*
35 *the Department;*

36 *(b) Provisions setting forth the periods for filing returns;*

37 *(c) A procedure for making refunds and resolving disputes*
38 *relating to the tax; and*

39 *(d) Requirements for maintaining records and provisions*
40 *concerning the inspection and investigation of those records.*

41 *2. The tax imposed by section 6 of this act must be:*

42 *(a) Accounted for by each direct broadcast satellite television*
43 *company;*

44 *(b) Paid to the Department by the company; and*



1 (c) *Within 10 days after payment, delivered by the Department*
2 *to the State Treasurer.*

3 **Sec. 8.** This act becomes effective upon passage and approval
4 for the purpose of adopting regulations and on July 1, 2003, for all
5 other purposes.

