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STATE SENATOR • 17TH SENATE DISTRICT

Testimony on Senate Bill 167 Senate Committee on Revenue, Financial Institutions & Rural Issues December 12, 2017

Good Morning,

Thank you to the Senate Committee on Revenue, Financial Institutions, & Rural Issues for the opportunity to testify on Senate Bill 167 relating to the sales and use tax exemption for commercial radio and television station property.

Two sessions ago, 2013 Wisconsin Act 346 was passed both houses of the legislature with nearly unanimous, bi-partisan support. This law created a sales tax exemption for certain commercial radio and television equipment used in creating various types of programming.

The intent of this law was to provide independently owned broadcast stations with some economic relief, with the hopes that this would broaden their reach and bolster their capabilities. After the bill was signed into law, in the course of determining how this new exemption would be implemented, the Department of Revenue decided that the tax exemption would not apply to radio and television towers, broadcast transmitters, and satellite trucks because they are not exclusively used for the origination of programming. This equipment is essential for any television or radio station.

This bill simply clarifies that the tax exemption created in 2013 Wisconsin Act 346 would also apply to television towers, broadcast transmitters, and satellite trucks.

The language of Senate Bill 167 was added to the 2017-18 biennial budget during the Joint Finance Committee process. The provision remained in the state budget as it was approved by both houses of the Legislature, however it was vetoed out by Governor Walker. In his veto message, Governor Walker stated that he was, "unclear if any meaningful activity would be incentivized by this exemption" and that he believed, "this may be better reviewed as separate legislation". Considering the importance of this bill to the broadcasting industry, Senate Bill 167 deserves to continue to move forward so that it may still become law.

I would like to thank the Wisconsin Broadcasters Association for their support of the bill. The Wisconsin Broadcasters Association is present to answer any technical questions regarding their equipment and operations. I am happy to take questions from committee members at this time.