



# State of Wisconsin

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STEPHEN R. MILLER  
CHIEF

March 27, 2007

## MEMORANDUM

**To:** Senator Plale

**From:** Joseph T. Kreye, Sr. Legislative Attorney, (608) 266-2263

**Subject:** Technical Memorandum to **2007 SB 107** (LRB-2192/1) by **DOR**

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We received the attached technical memorandum relating to your bill. This copy is for your information and your file.

If you wish to discuss this memorandum or the necessity of revising your bill or preparing an amendment, please contact me.

## MEMORANDUM

March 27, 2007

**TO:** Joe Kreye  
Legislative Reference Bureau

**FROM:** Paul Ziegler  
Department of Revenue

**SUBJECT:** Technical Memorandum on SB 107 relating to Cable TV and Video Services

The department has the following concerns with the bill:

1. Page 33, lines 7-12. Equipment, e.g., fiber optic cable, used to provide telecommunications services may also be used to provide video services. The bill is not clear as to whether such equipment would be subject to telephone property taxes, exempt or whether its value should be allocated.
2. Page 14, lines 15-24. For sales and use tax purposes, the effect of the bill is unclear because the definition of "video service" is unclear. One part of the definition of "video service" conflicts with another part of the definition. "Video service" includes video programming and other services that are "provided through facilities located at least in part in public rights-of-way, without regard to delivery technology, including Internet protocol technology or any other technology." However, "video service" excludes "video programming provided solely as part of and via a service that enables users to access content, information, electronic mail, or any other service offered over the public Internet." Thus, it is unclear whether "video service" includes video programming provided via the Internet.
3. Page 14, line 22. The meaning of the term "solely", as used above, is also unclear. Since telephone service, Internet access, and television would be provided over the same broadband connection, it is unclear what video programming would be provided solely. It is not clear whether the intent of the bill is to exclude video programming services from the definition of "video service" if the video programming services are provided as a part of package of Internet access services. However, as the bill is written, if the video programming service is provided along with any service over the Internet, the video programming service does not meet the definition of video service, regardless of the insignificance of the other service provided.
4. Page 14, lines 13-14. The definition of "video programming" is unclear because it is not clear what is meant by "programming provided by, or generally considered comparable to programming provided by, a television broadcast station." Does this include programming that a television broadcast station is not allowed to broadcast due to prohibited content?

Does it require that the programming be a variety of programming such as a television broadcast station would provide, or would a single event, such as a concert or sporting event, be generally considered comparable to programming provided by a television broadcast station?

If you have any questions regarding this technical memorandum, please contact Blair Kruger at 266-1310 or [bkruger@dor.state.wi.us](mailto:bkruger@dor.state.wi.us).

cc: Sen. Plale