~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

February 20, 2019

**S. 408**

Introduced by Senators Reese, Turner and Campbell

S. Printed 2/20/19--S.

Read the first time January 22, 2019.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 408) to amend Section 12‑6‑2295, as amended, Code of Laws of South Carolina, 1976, relating to items included and excluded from the terms “sales”, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass with amendment:

Amend the bill, as and if amended, by striking SECTION 1 and inserting:

/ SECTION 1. Section 12‑6‑2295(A)(7) of the 1976 Code, as added by Act 265 of 2018, is amended to read:

“(7) receipts from the operation of a cable system, as defined in Section 58-12-300, including receipts from cable service and including receipts from services provided over the network that are associated with or classified as noncable or nonvideo services under federal law, receipts from video service as defined in Section 58-12-300, or receipts from the provision of direct broadcast satellite service that are attributable to this State in pro rata proportion of the costs of performing the service, including the costs of acquiring programming distribution rights and constructing and maintaining distribution infrastructure, that the service provider incurs within this State. For purposes of this subsection, if a pass-through business operates a cable system or a direct broadcast satellite service, or if it has receipts from video service, then a corporation that owns an interest in that pass-through business, either directly or indirectly, must be treated as operating a cable system or a direct broadcast satellite service, or as having receipts from video service. As used in this subsection, the term ‘direct broadcast satellite service’ means the distribution or broadcasting of programming or services by satellite directly to the subscriber’s premises without the use of ground receiving or distribution equipment, except at the subscriber’s premises or in the uplink process to the satellite.” /

Renumber sections to conform.

Amend title to conform.

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND SECTION 12‑6‑2295, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO ITEMS INCLUDED AND EXCLUDED FROM THE TERMS “SALES” AND “GROSS RECEIPTS”, SO AS TO PROVIDE THAT RECEIPTS FROM THE OPERATION OF A CABLE SYSTEM ARE ATTRIBUTABLE TO THIS STATE IN PRO RATA PROPORTION OF THE COSTS OF PERFORMING THE SERVICE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12‑6‑2295(A)(7) of the 1976 Code, as added by Act 265 of 2018, is amended to read:

“(7) any receipts from the operation of a cable system, as defined in Section 58-12-300, including cable service and any noncable or nonvideo services, or receipts from the provision of direct broadcast satellite service that are attributable to this State in pro rata proportion of the costs of performing the service, including the costs of acquiring programming distribution rights and constructing and maintaining distribution infrastructure, that the service provider incurs within this State. For purposes of this subsection, if a pass-through business operates a cable system, then a corporation that owns an interest in that pass-through business, either directly or indirectly, must be treated as operating a cable system. As used in this subsection, the term ‘direct broadcast satellite service’ means the distribution or broadcasting of programming or services by satellite directly to the subscriber’s premises without the use of ground receiving or distribution equipment, except at the subscriber’s premises or in the uplink process to the satellite.”

SECTION 2. This act takes effect upon approval by the Governor and applies to all open tax periods excluding assessments under judicial review as of the date of the Governor’s approval.

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