

**DEPARTMENT OF TAXATION
2007 Fiscal Impact Statement**

1. Patron Joe T. May

2. Bill Number HB 2385

3. Committee Passed House and Senate

House of Origin:

☐ Introduced

☐ Substitute

☐ Engrossed

4. Title Personal Property Tax: Separate
Classification for Wireless Broadband

Second House:

☐ In Committee

☐ Substitute

☒ Enrolled

5. Summary/Purpose:

This bill would create a separate classification for local property tax purposes for any tangible personal property owned and operated by a service provider who is not a CMRS (wireless telephone service) provider and who is not licensed by the FCC that is used to provide wireless broadband Internet service. "Wireless broadband Internet service" would be defined as a service that enables customers to access, through a wireless connection at an upload or download bit rate of more than one megabyte per second, Internet service, as part of a package of services sold to customers.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Not available. (See Line 8.)

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. Unless a locality elects to change the tax rate applicable to this class of property from the current rate at which it is assessed, there would be no effect on local revenues.

9. Specific agency or political subdivisions affected:

All localities.

10. Technical amendment necessary: No.

11. Other comments:

Background

Currently, there are thirty-five categories of tangible personal property that are classified as separate classes of property for rate purposes. There is currently a separate classification for tangible personal property used in the provision of Internet services, defined as a service, including Internet Web-hosting service, that enables users to access content, information, electronic mail, and the Internet as part of a package of services sold to customers.

Proposal

For tax rate purposes, this bill would provide a separate classification for local property tax purposes for any tangible personal property owned and operated by a service provider who is not a CMRS (wireless telephone service) provider and who is not licensed by the FCC that is used to provide wireless broadband Internet. "Wireless broadband Internet service" would be defined as a service that enables customers to access, through a wireless connection at an upload or download bit rate of more than one megabyte per second, Internet service, as part of a package of services sold to customers.

cc : Secretary of Finance

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