



ICTA
IDAHO CABLE TELECOMMUNICATIONS ASSOCIATION

June 19, 2014

McLean Russell – Tax Policy Specialist
Idaho Tax Commission
P.O. Box 56
Boise, ID 83722

Subject: Idaho Sales Tax on Cable Television Services and HB 598

Dear Mr. Russell:

Thank you for providing Proposed Rule .027 in advance of next Thursday's meeting. As I will not be able to attend that meeting, I wanted to get you these thoughts on the proposed rule in advance.

I noticed that Proposed Rule .027.09 relating to "Cable, Satellite or Other Television Broadcasts" is "still under discussion." Please let me know if there are additional questions we can answer with respect to cable delivered video, digital or otherwise.

I also noticed that Proposed Rule 027.06 regarding "Digital Products" appears to establish what I believe could be an inconsistency with HB 598. Specifically, this Proposed Rule .027.06 states that all "digital videos are tangible personal property regardless of the delivery or access method" and "are taxable." It could be your intent that your proposed rule regarding Cable, Satellite or Other Television Broadcasts will clarify that such "delivery of access methods" are not considered taxable transactions, delivery of "digital videos" or otherwise considered "tangible personal property," but you may also want to cross reference these two proposed rules to each other, so that any ambiguity or inconsistencies between the two are addressed.

Thank you for this opportunity to provide these additional comments.

Sincerely,

Ronald L. Williams

/s/ *Ron Williams*

Executive Director, ICTA
Attorney, Williams Bradbury, P.C.

cc: Erick Shaner, Deputy Attorney General
Celynda Roach, Cable One
Jay Larsen, Idaho Technology Council
Rick Smith, Hawley Troxell