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PRESS RELEASE

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MASSACHUSETTS SATELLITE TV USERS COULD GET HIT WITH DISCRIMINATORY SALES TAX

NOVEL GRASSROOTS CAMPAIGN TO EDUCATE CUSTOMERS ABOUT TV TAX KICKS OFF TONIGHT AT FENWAY

CAMPAIGN WILL EMPOWER CUSTOMERS TO URGE LEGISLATORS TO ABANDON UNFAIR TAX PLAN

BOSTON – Looking to halt a new budget proposal that would tax satellite television subscribers, the satellite industry is launching a statewide campaign on Tuesday to make sure its customers know about the proposed sales tax. The new 5 percent sales tax on satellite customers would stifle innovation, diminish competition among pay TV providers and discriminate against consumers simply because they subscribe to satellite television services.

The new tax on satellite television users was quietly tucked into the Senate fiscal 2010 budget and would affect roughly 275,000 households who subscribe to satellite television in Massachusetts. Many of those subscribers live in Western Massachusetts, where cable access is limited or nonexistent, leaving them with no other option for viable television service other than satellite. In addition, those who rely on satellite TV's unique foreign language programming would be disproportionately impacted by the tax.

“The Massachusetts Legislature is literally days away from imposing a discriminatory sales tax on satellite television subscribers and we think those people have a right to know,” said Andrew Reinsdorf, vice president of Government Affairs for DIRECTV.

“This tax is a stealth strike against the taxpayers when they can least afford it. There was no public hearing about this proposal. No announcement. No chance for satellite customers to make their views on it known. That’s about to change.” Reinsdorf said.

To educate the public about the TV tax, the satellite industry is launching a grassroots campaign this week that will give customers and taxpayers a vehicle for voicing their outrage with legislators who are considering the proposal.

Weather permitting, DIRECTV's blimp will fly over Fenway Park on Tuesday and Wednesday during Red Sox games in an effort to educate fans about the tax and let them know how to get in touch with Massachusetts lawmakers. Opponents of the new tax will also sign a petition asking the Legislature to abandon this unfair tax plan.

Satellite providers Dish Network and DIRECTV will also post slates on their programming guides that tell subscribers how they can make their voices heard and will take out print ads in newspapers around the state.

The current effort to tax satellite television in Massachusetts follows efforts in at least nine other states, where the cable industry has pushed for a new tax to hinder their competition. In each state, the satellite television tax was rejected.

"We've been able to create competition in the pay television industry, winning customers the old fashioned way – by improving service and lowering prices," Reinsdorf said. "We don't think our customers should be punished for choosing a good product."

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