

119TH CONGRESS  
1ST SESSION

# H. R. 2230

To amend the Internal Revenue Code of 1986 to provide tax credits for carriage of independent programmers by certain multichannel video programming distributors.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 18, 2025

Mr. STEUBE (for himself, Mr. BILIRAKIS, Mr. PANETTA, Ms. CLARKE of New York, Ms. VAN DUYN, Ms. DELBENE, Ms. CASTOR of Florida, Mr. SOTO, Ms. KELLY of Illinois, Mr. THANEDAR, Mr. ESPAILLAT, Mr. VEASEY, Mrs. HARSHBARGER, Mr. CARTER of Georgia, Mr. GIMENEZ, and Mr. VALADAO) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to provide tax credits for carriage of independent programmers by certain multichannel video programming distributors.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Independent Program-  
5 mers Tax Incentive Act”.

1 **SEC. 2. CARRIAGE OF INDEPENDENT PROGRAMMERS TAX**

2 **CREDIT.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-  
4 chapter A of chapter 1 of the Internal Revenue Code of  
5 1986 is amended by adding at the end the following new  
6 section:

7 **“SEC. 45BB. CARRIAGE OF INDEPENDENT PROGRAMMERS**

8 **CREDIT.**

9 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-  
10 tion 38, in the case of any eligible distributor, the carriage  
11 of independent programmers credit determined under this  
12 section for the taxable year is, with respect to each agree-  
13 ment for qualifying carriage entered into by such eligible  
14 distributor, the lesser of—

15 “(1) the net license fees paid or incurred by  
16 such eligible distributor during such taxable year  
17 under such agreement for qualifying carriage, or

18 “(2) the product of \$0.10 multiplied by the av-  
19 erage number of monthly subscribers (for calendar  
20 months during such taxable year) to which carriage  
21 is provided under such agreement.

22 “(b) MAXIMUM CREDIT.—The credit determined  
23 under this section with respect to any eligible distributor  
24 for any taxable year shall not exceed the product of \$0.30  
25 multiplied by the average number of monthly subscribers  
26 (for calendar months during such taxable year).

1       “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
2 poses of this section—

3               “(1) ELIGIBLE DISTRIBUTOR.—The term ‘eligi-  
4 ble distributor’ means any person which is either—

5                       “(A) engaged in the trade or business of  
6 being a multichannel video programming dis-  
7 tributor, or

8                       “(B) a virtual multichannel video program-  
9 ming distributor.

10               “(2) MULTICHANNEL VIDEO PROGRAMMING  
11 DISTRIBUTOR.—The term ‘multichannel video pro-  
12 gramming distributor’ means an entity engaged in  
13 the business of making available for purchase, by  
14 subscribers or customers, multiple channels of video  
15 programming. Such entities include, but are not lim-  
16 ited to, a cable operator, a BRS/EBS provider, a di-  
17 rect broadcast satellite service, a television receive-  
18 only satellite program distributor, and a satellite  
19 master antenna television system operator, as well as  
20 buying groups or agents of all such entities.

21               “(3) VIRTUAL MULTICHANNEL VIDEO PRO-  
22 GRAMMING DISTRIBUTOR.—The term ‘virtual multi-  
23 channel video programming distributor’ means any  
24 person engaged in the trade or business of making  
25 available directly to the end user, by means of the

1 Internet or other IP-based transmission path, mul-  
2 tiple streams of linear video programming.

3 “(4) VIDEO PROGRAMMING.—The term ‘video  
4 programming’ means programming provided by, or  
5 generally considered comparable to programming  
6 provided by, a television broadcast station, but not  
7 including consumer-generated media.

8 “(5) AGREEMENT FOR QUALIFYING CAR-  
9 RIAGE.—The term ‘agreement for qualifying car-  
10 riage’ means a written agreement between an eligible  
11 distributor and a qualified independent programmer  
12 that provides for new or expanded carriage of one or  
13 more linear video programming streams of a quali-  
14 fied independent programmer to at least 40 percent  
15 of the eligible distributor’s subscriber base in aggre-  
16 gate for such linear video programming streams and  
17 which requires the eligible distributor to pay a li-  
18 cense fee to the qualified independent programmer.

19 “(6) QUALIFIED INDEPENDENT PRO-  
20 GRAMMER.—

21 “(A) IN GENERAL.—The term ‘qualified  
22 independent programmer’ means a United  
23 States-based person engaged in the production,  
24 creation, or wholesale distribution of linear  
25 video programming if—

1           “(i) such person is not a publicly  
2           traded company, multichannel video pro-  
3           gramming distributor, virtual multichannel  
4           video programming distributor, network, or  
5           television station company, and

6           “(ii) no publicly traded company, mul-  
7           tichannel video programming distributor,  
8           virtual multichannel video programming  
9           distributor, network, or television station  
10          company has a cognizable interest in such  
11          person.

12          “(B) NETWORK.—The term ‘network’  
13          means an entity that offers programming on a  
14          regular basis for 15 or more hours per week to  
15          at least 25 affiliates in 10 or more States.

16          “(C) TELEVISION STATION COMPANY.—  
17          The term ‘television station company’ means  
18          any person if, after taking into account the au-  
19          dience reach of all television stations under  
20          common control with such person, such person  
21          has a national audience reach in excess of 3  
22          percent. Terms used in this subparagraph  
23          which are also used in section 202(c) of the  
24          Telecommunications Act of 1996 (or in the reg-  
25          ulations issued pursuant to such section) shall

1           have the same meaning as when used in such  
2           section (or such regulations).

3           “(D) COGNIZABLE INTEREST.—The term  
4           ‘cognizable interest’ means partnership and di-  
5           rect ownership interests and any voting stock  
6           interest amounting to 5 percent or more of the  
7           outstanding voting stock of an entity.

8           “(7) LICENSE FEES.—Except as otherwise pro-  
9           vided by the Secretary, in the case of an agreement  
10          for qualifying carriage which is net effective rate  
11          positive for the qualified independent programmer,  
12          the appropriate amount shall be treated as a license  
13          fee paid by the eligible distributor to the qualified  
14          independent programmer.

15          “(d) DENIAL OF DOUBLE BENEFIT.—No deduction  
16          shall be allowed under this chapter for any amount to the  
17          extent that such amount is allowed as a credit under this  
18          section.”.

19          (b) CREDIT MADE PART OF GENERAL BUSINESS  
20          CREDIT.—Subsection (b) of section 38 of such Code is  
21          amended by striking “plus” at the end of paragraph (40),  
22          by striking the period at the end of paragraph (41) and  
23          inserting “, plus”, and by adding at the end the following  
24          new paragraph:

1           “(42) the carriage of independent programmers  
2           credit determined under section 45BB.”.

3           (c) CLERICAL AMENDMENT.—The table of sections  
4 for subpart D of part IV of subchapter A of chapter 1  
5 of such Code is amended by adding at the end the fol-  
6 lowing new item:

          “Sec. 45BB. Carriage of Independent Programmers Credit.”.

7           (d) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to expenses paid or incurred after  
9 the date of the enactment of this Act, in taxable years  
10 ending after such date.

11 **SEC. 3. BIENNIAL REPORT BY FCC TO CONGRESS.**

12           (a) IN GENERAL.—Not later than 180 days after the  
13 date of the enactment of this Act, and not less frequently  
14 than every 2 years thereafter, the Federal Communica-  
15 tions Commission shall submit to Congress a report that—

16           (1) states the number of qualified independent  
17 programmers that have a linear video programming  
18 stream that is distributed to subscribers of one or  
19 more eligible distributors and the average length of  
20 time for which such a linear video programming  
21 stream has been so distributed by the same eligible  
22 distributor;

23           (2) states the number of qualified independent  
24 programmers that have a linear video programming  
25 stream that is distributed to subscribers of one or

1 more multichannel video programming distributors  
2 and the average length of time for which such a lin-  
3 ear video programming stream has been so distrib-  
4 uted by the same multichannel video programming  
5 distributor;

6 (3) states the number of qualified independent  
7 programmers that have a linear video programming  
8 stream that is distributed to subscribers of one or  
9 more virtual multichannel video programming dis-  
10 tributors and the average length of time for which  
11 such a linear video programming stream has been so  
12 distributed by the same virtual multichannel video  
13 programming distributor; and

14 (4) contains recommendations for how to in-  
15 crease the number of qualified independent program-  
16 mers described in paragraph (1).

17 (b) DISCLOSURE OF TAX RETURN INFORMATION.—  
18 Section 6103(l) of the Internal Revenue Code of 1986 is  
19 amended by adding at the end the following new para-  
20 graph:

21 “(23) DISCLOSURE OF RETURN INFORMATION  
22 TO FEDERAL COMMUNICATIONS COMMISSION FOR BI-  
23 ENNIAL REPORTS TO CONGRESS.—

24 “(A) IN GENERAL.—The Secretary shall,  
25 upon written request from the Federal Commu-

1           nications Commission, disclose to officers and  
2           employees of such Commission such return in-  
3           formation of taxpayers claiming the credit al-  
4           lowable under section 45BB as such Commis-  
5           sion determines necessary to prepare the re-  
6           ports required under section 2 of the Inde-  
7           pendent Programmers Tax Incentive Act.

8           “(B) RESTRICTION ON DISCLOSURE.—Re-  
9           turn information disclosed under subparagraph  
10          (A) may be used by officers and employees of  
11          the Federal Communications Commission for  
12          the purposes of, and to the extent necessary in,  
13          preparing the reports required under section 2  
14          of the Independent Programmers Tax Incentive  
15          Act. Such reports shall not include return infor-  
16          mation which is identifiable as being with re-  
17          spect to a particular taxpayer.”.

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